IMPORTANT NOTICE
NOT FOR DISTRIBUTION TO ANY PERSON OR ADDRESS IN THE UNITED STATES.

THIS OFFERING OF THE SECURITIES DESCRIBED IN THE ATTACHED PRELIMINARY PLACEMENT DOCUMENT IS AVAILABLE ONLY TO INVESTORS WHO ARE QUALIFIED INSTITUTIONAL BUYERS AS DEFINED UNDER REGULATION 2(1)(SS) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED ("SEBI ICDR REGULATIONS").

IMPORTANT: This e-mail is intended for the named recipient(s) only. If you are not an intended recipient, please delete this e-mail from your system immediately. You must read the following before continuing. The following applies to the pre-numbered preliminary placement document of Saregama India Limited (the "**Company**"), dated November 2, 2021, in relation to the proposed qualified institutions placement of equity shares of face value ₹10 each ("**Equity Shares**") by the Company filed with BSE Limited and National Stock Exchange of India Limited (the "**Stock Exchanges**") (such document, the "**Preliminary Placement Document**") attached to this e-mail, and you are therefore advised to read this carefully before reading, accessing or making any other use of the attached Preliminary Placement Document. In accessing the Preliminary Placement Document, you agree to be bound by the following terms and conditions, including any modifications to them, from time to time, each time you receive any information from us as a result of such access. The information in the Preliminary Placement Document is subject to completion, revision, verification, amendment and change without notice. Neither JM Financial Limited (the "**BRLM**") nor any person who controls the BRLM nor any of their affiliates, directors, officers, employees, agents, representatives or advisers accepts any liability whatsoever for any loss howsoever arising from any use of this e-mail or the attached Preliminary Placement Document or their respective contents or otherwise arising in connection therewith. **You acknowledge that the Preliminary Placement Document is intended for use by you only and you agree not to forward it to any other person, internal or external to your company, in whole or in part, or otherwise provide access via e-mail or otherwise to any other person.**

INVESTING IN THE EQUITY SHARES DESCRIBED IN THE PRELIMINARY PLACEMENT DOCUMENT INVOLVES RISKS AND YOU SHOULD NOT INVEST ANY FUNDS IN THE EQUITY SHARES, UNLESS YOU ARE PREPARED TO RISK LOSING ALL OR PART OF YOUR INVESTMENT. YOU ARE ADVISED TO CAREFULLY READ THE SECTION TITLED "RISK FACTORS" AS WELL AS INFORMATION CONTAINED ELSEWHERE IN THE ATTACHED PRELIMINARY PLACEMENT DOCUMENT BEFORE MAKING AN INVESTMENT DECISION.

THE EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (**THE** "**SECURITIES ACT**") OR ANY OTHER APPLICABLE STATE SECURITIES LAWS OF THE UNITED STATES AND, UNLESS SO REGISTERED, MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. THE EQUITY SHARES ARE BEING OFFERED AND SOLD (A) IN THE UNITED STATES ONLY TO "QUALIFIED INSTITUTIONAL BUYERS" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT ("RULE 144A") AND REFERRED TO IN THE PRELIMINARY PLACEMENT DOCUMENT AS A "U.S. QIB") PURSUANT TO SECTION 4(A)(2) OR ANOTHER AVAILABLE EXEMPTION THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, AND (B) OUTSIDE THE UNITED STATES IN OFFSHORE TRANSACTIONS IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT ("REGULATION S") AND THE APPLICABLE LAWS OF THE JURISDICTIONS WHERE THOSE OFFERS AND SALES OCCUR. FOR A DESCRIPTION OF THE SELLING RESTRICTIONS IN CERTAIN OTHER JURISDICTIONS, SEE "SELLING RESTRICTIONS" ON OF THE PRELIMINARY PLACEMENT DOCUMENT. THE EQUITY SHARES ARE TRANSFERABLE ONLY IN ACCORDANCE WITH THE RESTRICTIONS DESCRIBED IN " PURCHASER REPRESENTATIONS AND TRANSFER RESTRICTIONS" OF THE PRELIMINARY PLACEMENT DOCUMENT.

THE ATTACHED PRE-NUMBERED PRELIMINARY PLACEMENT DOCUMENT MAY NOT BE FORWARDED, DOWNLOADED, DELIVERED OR DISTRIBUTED, IN WHOLE OR IN PART, ELECTRONICALLY OR OTHERWISE TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY PERSON IN THE UNITED STATES OR TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR

REPRODUCTION OF THE PRELIMINARY PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE EQUITY SHARES DESCRIBED IN THE ATTACHED PRELIMINARY PLACEMENT DOCUMENT.

The Issue and the distribution of the Preliminary Placement Document is being done in reliance on Chapter VI of the SEBI ICDR Regulations. The Preliminary Placement Document is personal to each prospective investor and does not constitute an offer or invitation or solicitation of an offer to the public or to any other person or class of investors, other than Eligible QIBs.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO.

Confirmation of your Representation: You are accessing the attached Preliminary Placement Document on the basis that you have confirmed your representation, agreement and acknowledgement to the effect that: (1) (i) the electronic mail address that you gave us and to which this e-mail has been delivered is not located in the United States (including its territories or possessions, any state of the United States and the District of Columbia) and to the extent that you purchase the securities described in the attached Preliminary Placement Document, you will be doing so pursuant to Regulation S in "offshore transactions" (as defined in Regulation S) or (ii) or (ii) you are, or are acting on behalf of, a "qualified institutional buyer" (as defined in Rule 144A) pursuant to Section 4(a)(2) of the Securities Act; (2) the securities offered hereby have not been registered under the Securities Act; (3) that you consent to delivery of the attached Preliminary Placement Document and any amendments or supplements thereto by electronic transmission; (4) you are the intended recipient of the attached Preliminary Placement Document and are a "Qualified Institutional Buyer" as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and are not restricted from participating in the offering under the SEBI ICDR Regulations and other applicable laws including FEMA and not excluded pursuant to Regulations 179(2)(b) of the SEBI ICDR Regulations and undertake to (i) acquire, hold, manage or dispose of any Equity Shares that are Allocated to you in accordance with Chapter VI of the SEBI ICDR Regulations, the Companies Act, and all other applicable laws; and (ii) undertake to comply with the SEBI ICDR Regulations, the Companies Act and all other applicable laws, including any reporting obligations, if any; (5) you are eligible to invest in India under applicable law, including the FEMA Non-Debt Rules, and have not been prohibited by SEBI or any other regulatory authority, statutory authority or otherwise, from buying, selling, or dealing in securities or otherwise accessing capital markets in India; (6) either a QIB which is resident in India, or an Eligible FPI, participating through Schedule II of the FEMA Non-Debt Rules or a multilateral or bilateral development financial institution; (7) you are permitted to subscribe for and acquire the Equity Shares under the laws of all relevant jurisdictions that apply to you and that you have fully observed such laws and you have necessary capacity, have obtained all necessary consents, governmental or otherwise, and authorisations and complied and shall comply with all necessary formalities, to enable you to participate in the Issue and to perform your obligations in relation thereto (including, without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorisations to agree to the terms set out or referred to in the attached Preliminary Placement Document), and will honour such obligations; (8) you agree and acknowledge that if you are allotted more than 5% of the equity shares in the Issue, the Company shall be required to disclose your name and the number of equity shares allotted to you to the Stock Exchanges, and they will make the same available on their website and you consent to such disclosures; and (9) that you consent to delivery of the attached Preliminary Placement Document and any amendments or supplements thereto by electronic transmission.

Except with respect to eligible investors in jurisdictions where such offer is permitted by law, nothing in this electronic transmission constitutes an offer or an invitation by or on behalf of either the issuer of the securities or the BRLM to subscribe for or purchase any of the securities described therein, and access has been limited so that it shall not constitute a "general solicitation" or "general advertising" (each as defined in Regulation D under the Securities Act) or "directed selling efforts" (as defined in Regulation S) in the United States or elsewhere. You are reminded that the attached Preliminary Placement Document has been delivered to you on the basis that you are a person into whose possession the attached Preliminary Placement Document may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver the attached Preliminary Placement Document to any other person.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or invitation or solicitation in any place where offers, invitations or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and BRLM or any affiliate of the BRLM is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the BRLM or such affiliate on behalf of the Company in such jurisdiction. Further, nothing in this electronic transmission constitutes an offer or an invitation or solicitation of an offer or an offer or invitation to the public under any applicable law, by or on behalf of either the Company or the BRLM to subscribe for or purchase any of the Equity Shares described in the attached Preliminary Placement Document.

THE PRELIMINARY PLACEMENT DOCUMENT HAS NOT BEEN AND WILL NOT BE REGISTERED AS A PROSPECTUS OR A STATEMENT IN LIEU OF PROSPECTUS WITH ANY REGISTRAR OF COMPANIES IN INDIA AND IS NOT AND SHOULD NOT BE CONSTRUED AS AN OFFERING CIRCULAR, AN OFFERING MEMORANDUM, AN ADVERTISEMENT, AN OFFER OR AN OFFER DOCUMENT UNDER THE SEBI ICDR REGULATIONS OR ANY OTHER APPLICABLE LAW. FURTHER, NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OR AN INVITATION TO THE PUBLIC BY OR ON BEHALF OF THE COMPANY OR THE BRLM TO SUBSCRIBE FOR OR PURCHASE ANY OF THE SECURITIES DESCRIBED THEREIN. THE PRELIMINARY PLACEMENT DOCUMENT SHALL BE FILED AS A PRIVATE PLACEMENT OFFER LETTER WITH THE STOCK EXCHANGES. THE PRELIMINARY PLACEMENT DOCUMENT HAS NOT BEEN AND WILL NOT BE REVIEWED OR APPROVED BY ANY REGULATORY AUTHORITY IN INDIA, INCLUDING THE SECURITIES AND EXCHANGE BOARD OF INDIA, THE RESERVE BANK OF INDIA, ANY REGISTRAR OF COMPANIES IN INDIA OR ANY STOCK EXCHANGE IN INDIA. THE PRELIMINARY PLACEMENT DOCUMENT IS NOT AND SHOULD NOT BE CONSTRUED AS AN INVITATION, OFFER OR SALE OF ANY SECURITIES TO THE PUBLIC IN INDIA.

The Preliminary Placement Document been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Company, the BRLM or any person who controls any of them or any director, officer, employee or agent of any of them or affiliate of any of them accepts any liability or responsibility whatsoever in respect of any difference between the Preliminary Placement Document distributed to you in electronic format and the hard copy version available to you on request from the BRLM. Your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature. The attached Preliminary Placement Document is intended only for use by the addressee named herein and may contain legally privileged and / or confidential information. If you are not the intended recipient of the attached Preliminary Placement Document, you are hereby notified that any dissemination, distribution or copying of the attached Preliminary Placement Document is strictly prohibited. If you have received the attached Preliminary Placement Document in error, please immediately notify the sender or the BRLM by reply email and destroy the email received and any printouts of it.

You are reminded that no representation or warranty, expressed or implied, is made or given by or on behalf of the BRLM, nor any person who controls them or any director, officer, employee or agent of them, or affiliate or associate of any such person as to the accuracy, completeness or fairness of the information or opinions contained in this document and such persons do not accept responsibility or liability for any such information or opinions.

Actions That You May Not Take: You should not reply by e-mail to this document, and you may not purchase any of the Equity Shares described in the attached pre-numbered Preliminary Placement Document by doing so. Any reply e-mail communications, including those you generate by using the "Reply" function on your e-mail software, will be ignored or rejected. You may not nor are you authorized to deliver or forward this document, electronically or otherwise, to any other person.

YOU MAY NOT AND ARE NOT AUTHORIZED TO (1) FORWARD, DISTRIBUTE OR DELIVER THE ATTACHED PRELIMINARY PLACEMENT DOCUMENT, ELECTRONICALLY OR OTHERWISE, TO ANY OTHER PERSON OR (2) REPRODUCE THE ATTACHED PRELIMINARY PLACEMENT DOCUMENT IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISSEMINATION, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT AND THE ATTACHED PRELIMINARY PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

You are responsible for protecting against viruses and other destructive items. Your use of this e- mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

Capitalized terms used but not defined herein shall have the meaning ascribed to such terms in the Preliminary Placement Document attached hereto.

RP - Sanjiv Goenka Group
Growing Legacies

Preliminary Placement Document
Subject to Completion
Not for Circulation and Strictly Confidential
Serial Number: [●]

The information in this Preliminary Placement Document is not complete and may be changed. The Issue is meant only for Eligible QIBs under Chapter VI of the SEBI ICDR Regulations, on a private placement basis and is not an offer to the public or to any other class of investors to purchase the Equity Shares. This Preliminary Placement Document is not an offer to sell any Equity Shares and is not soliciting an offer to subscribe to or buy the Equity Shares in any jurisdiction where such offer, sale or subscription is not permitted. It is being issued for the sole purpose of information or discussion relating to the Equity Shares that may be issued through the Placement Document.

sa re ga ma

SAREGAMA INDIA LIMITED

Registered and Corporate Office: 33, Jessore Road, Dum Dum, Kolkata – 700 028, West Bengal, India
Telephone: +91 33 2551 4773 / 2551 2984 | **Email**: co.sec@saregama.com | **Website**: www.saregama.com
CIN: L22213WB1946PLC014346

Our Company was originally incorporated on August 13, 1946 in West Bengal as 'The Gramophone Company (India) Limited', a private limited company under the Companies Act, 1913 pursuant to a certificate of incorporation issued by the Registrar of Joint Stock Companies, Bengal. Subsequently, the name of our Company was changed to 'The Gramophone Company of India Limited' pursuant to a certificate of alteration in the name of our Company dated April 2, 1947 issued by the Assistant Registrar, Joint Stock Companies, Bengal. The word 'Private' was later added to the certificate of incorporation dated August 13, 1946 in the name of 'The Gramophone Company (India) Private Limited' was endorsed by the Assistant Registrar of Companies, West Bengal on April 3, 1956. Further, the word 'Private' was added to the name of our Company with effect from April 1, 1956 and a second certificate of incorporation was issued by the Assistant Registrar of Companies, West Bengal on December 4, 1964 in the name of 'The Gramophone Company of India (Private) Limited'. Thereafter, our Company was converted into a public limited company and the name of our Company was changed to 'The Gramophone Company of India Limited' pursuant to a fresh certificate of incorporation consequent on change of name issued to our Company dated November 4, 1968 by the Assistant Registrar of Companies, West Bengal. On November 3, 2000, the name of our Company was changed to 'Saregama India Limited' and a fresh certificate of incorporation consequent on name change was issued to our Company by the RoC. For further details please see "*General Information*" on page 231.

Our Company is issuing up to [●] equity shares of face value of ₹ 10 each (the "**Equity Shares**") at a price of ₹ [●] per Equity Share ("**Issue Price**"), including a premium of ₹ [●] per Equity Share, aggregating up to ₹ [●] lakhs (the "**Issue**"). For further details, see "*Summary of the Issue*" on page 38.

THIS ISSUE IS BEING UNDERTAKEN IN RELIANCE UPON CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS") AND SECTION 42 OF THE COMPANIES ACT, 2013 READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES") AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER, EACH AS AMENDED (THE "COMPANIES ACT")

OUR COMPANY HAS PREPARED THIS PRELIMINARY PLACEMENT DOCUMENT SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE ISSUE. THE ISSUE AND THE DISTRIBUTION OF THIS PRELIMINARY PLACEMENT DOCUMENT IS BEING MADE TO ELIGIBLE QIBS (AS DEFINED HEREINAFTER) IN RELIANCE UPON SECTION 42 OF THE COMPANIES ACT, OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT AND CHAPTER VI OF THE SEBI ICDR REGULATIONS. THIS PRELIMINARY PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR. THE ISSUE DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR TO ANY OTHER PROSPECTIVE INVESTOR OR CLASS OR CATEGORY OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN ELIGIBLE QIBS. THIS PRELIMINARY PLACEMENT DOCUMENT SHALL BE CIRCULATED ONLY TO SUCH ELIGIBLE QIBs WHOSE NAMES ARE RECORDED BY OUR COMPANY PRIOR TO MAKING AN INVITATION TO SUBSCRIBE TO THE EQUITY SHARES.

YOU MAY NOT AND ARE NOT AUTHORISED TO (1) DELIVER THIS PRELIMINARY PLACEMENT DOCUMENT TO ANY OTHER PERSON; OR (2) REPRODUCE THIS PRELIMINARY PLACEMENT DOCUMENT IN ANY MANNER WHATSOEVER; OR (3) RELEASE ANY PUBLIC ADVERTISEMENTS OR UTILISE ANY MEDIA, MARKETING OR DISTRIBUTION CHANNELS OR AGENTS TO INFORM THE PUBLIC AT LARGE ABOUT THE ISSUE. ANY DISTRIBUTION OR REPRODUCTION OF THIS PRELIMINARY PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN VIOLATION OF THE COMPANIES ACT, THE SEBI ICDR REGULATIONS OR OTHER APPLICABLE LAWS OF INDIA AND OF OTHER JURISDICTIONS.

INVESTMENTS IN EQUITY SHARES INVOLVE A HIGH DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THE ISSUE UNLESS THEY ARE PREPARED TO TAKE THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ THE SECTION "*RISK FACTORS*" ON PAGE 47 BEFORE MAKING AN INVESTMENT DECISION RELATING TO THE ISSUE, EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS OWN ADVISORS ABOUT THE PARTICULAR CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES TO BE ISSUED PURSUANT TO THIS PRELIMINARY PLACEMENT DOCUMENT AND THE PLACEMENT DOCUMENT (AS DEFINED HEREINAFTER). PROSPECTIVE INVESTORS SHALL CONDUCT THEIR OWN DUE DILIGENCE ON THE EQUITY SHARES AND OUR COMPANY. IF YOU DO NOT UNDERSTAND THE CONTENTS OF THIS PRELIMINARY PLACEMENT DOCUMENT AND/OR THE PLACEMENT DOCUMENT, YOU SHOULD CONSULT AN AUTHORISED FINANCIAL ADVISOR AND/OR LEGAL ADVISOR.

The Equity Shares are listed on BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**", and together with BSE, the "**Stock Exchanges**"). The closing price of the outstanding Equity Shares on BSE and NSE as on November 1, 2021 was ₹ 4,155.75 and ₹ 4,149.35 per Equity Share, respectively. In-principle approvals pursuant to Regulation 28(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("**SEBI Listing Regulations**"), for listing of the Equity Shares to be issued pursuant to the Issue, have been received from BSE and NSE on November 2, 2021. Our Company shall make applications to the Stock Exchanges for obtaining the final listing and trading approvals for the Equity Shares to be issued pursuant to the Issue. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed, or reports contained herein. Admission of the Equity Shares to be issued pursuant to the Issue for trading on the Stock Exchanges should not be taken as an indication of the merits of our Company or of the Equity Shares.

A copy of this Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4 (as defined hereinafter)) has been delivered to the Stock Exchanges and a copy of the Placement Document (which shall also include disclosures prescribed under Form PAS-4) will be delivered to the Stock Exchanges in due course. Our Company shall also make requisite filings with the RoC (as defined hereinafter), within the stipulated timeframe prescribed under the Companies Act and the PAS Rules (as defined hereinafter), as amended. This Preliminary Placement Document has not been reviewed by SEBI, the Stock Exchanges, RoC or any other regulatory or listing authority and is intended only for use by Eligible QIBs (as defined hereinafter). This Preliminary Placement Document has not been and will not be filed as a prospectus with the RoC, will not be circulated or distributed to the public in India or any other jurisdiction, and the Issue will not constitute a public offer in India or any other jurisdiction.

Invitations, offers and sales of Equity Shares to be issued pursuant to the Issue shall only be made pursuant to this Preliminary Placement Document together with the Application Form, the Placement Document and the Confirmation of Allocation Note (as defined hereinafter). For further details, see "*Issue Procedure*" on page 181. The distribution of this Preliminary Placement Document or the disclosure of its contents, without our Company's prior consent, to any person, other than Eligible QIBs and persons retained by Eligible QIBs to advise them with respect to their purchase of Equity Shares, is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and to make no copies of this Preliminary Placement Document or any documents referred to in this Preliminary Placement Document.

The Equity Shares have not been and will not be registered under the United States Securities Act of 1933, as amended ("**U.S. Securities Act**"), and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act ("**Rule 144A**") and referred to in this Preliminary Placement Document as a "**U.S. QIB**") pursuant to Section 4(a)(2) of the U.S. Securities Act or another available exemption from the registration requirements of the U.S. Securities Act, and (b) outside the United States in "offshore transactions" as defined in, and in reliance on, Regulation S under the U.S. Securities Act ("**Regulation S**") and the applicable laws of the jurisdictions where those offers and sales are made. See *"Selling Restrictions"* on page 197 for information about eligible offerees for the Issue and *"Purchaser Representations and Transfer Restrictions"* on page 207 for information about transfer restrictions that apply to the Equity Shares sold in the Issue.

The information on our Company's website or any website directly or indirectly linked to our Company's website or the website of the BRLM (as defined hereinafter) or any of its respective affiliates does not constitute nor form part of this Preliminary Placement Document and prospective investors should not rely on such information contained in, or available through, any such websites for their investment in this Issue.

This Preliminary Placement Document is dated November 2, 2021.

BOOK RUNNING LEAD MANAGER
JM FINANCIAL
JM Financial Limited

TABLE OF CONTENTS

NOTICE TO INVESTORS.......... 2
REPRESENTATIONS BY INVESTORS 6
OFF-SHORE DERIVATIVE INSTRUMENTS 13
DISCLAIMER CLAUSE OF THE STOCK EXCHANGES 14
PRESENTATION OF FINANCIAL AND OTHER DATA 15
INDUSTRY AND MARKET DATA.......... 18
FORWARD LOOKING STATEMENTS 19
ENFORCEMENT OF CIVIL LIABILITIES 21
EXCHANGE RATES INFORMATION 22
DEFINITIONS AND ABBREVIATIONS.......... 23
SUMMARY OF BUSINESS 29
SUMMARY OF THE ISSUE 38
SELECTED FINANCIAL INFORMATION.......... 40
RISK FACTORS 47
MARKET PRICE INFORMATION 72
USE OF PROCEEDS 75
CAPITALISATION STATEMENT 76
CAPITAL STRUCTURE.......... 77
RELATED PARTY TRANSACTIONS.......... 81
DIVIDENDS.......... 82
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.......... 83
INDUSTRY OVERVIEW.......... 122
OUR BUSINESS.......... 146
ORGANISATIONAL STRUCTURE 165
BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL 167
SHAREHOLDING PATTERN OF OUR COMPANY 175
ISSUE PROCEDURE 181
PLACEMENT.......... 195
SELLING RESTRICTIONS 197
PURCHASER REPRESENTATIONS AND TRANSFER RESTRICTIONS 207
THE SECURITIES MARKET OF INDIA.......... 211
DESCRIPTION OF THE EQUITY SHARES 215
STATEMENT OF POSSIBLE TAX BENEFITS 218
UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS 222
LEGAL PROCEEDINGS.......... 227
INDEPENDENT AUDITORS 230
GENERAL INFORMATION.......... 231
PROPOSED ALLOTTEES IN THE ISSUE 233
FINANCIAL STATEMENTS 234
DECLARATION 405
SAMPLE APPLICATION FORM.......... 408

NOTICE TO INVESTORS

Our Company has furnished and accepts full responsibility for all of the information contained in this Preliminary Placement Document and confirms that to the best of its knowledge and belief, having made all reasonable enquiries, this Preliminary Placement Document contains all information with respect to our Company, our Subsidiaries and the Equity Shares which is material in the context of the Issue. The statements contained in this Preliminary Placement Document relating to our Company and the Equity Shares are in all material respects, true, accurate and not misleading, and the opinions and intentions expressed in this Preliminary Placement Document with regard to our Company, our Subsidiaries and the Equity Shares are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions and information presently available to our Company and our Subsidiaries. There are no other facts in relation to our Company, our Subsidiaries and the Equity Shares, the omission of which would, in the context of the Issue, make any statement in this Preliminary Placement Document misleading in any material respect. Further, our Company has made all reasonable enquiries to ascertain such facts and to verify the accuracy of all such information and statements. Unless otherwise stated, all information in this Preliminary Placement Document is provided as of the date of this Preliminary Placement Document and neither our Company, our Subsidiaries nor the BRLM has any obligation to update such information to a later date.

The BRLM has not separately verified all of the information contained in this Preliminary Placement Document (financial, legal or otherwise). Accordingly, neither the BRLM nor any of its shareholders, employees, counsel, officers, directors, representatives, agents or affiliates make any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by the BRLM and/or any of its shareholders, employees, counsel, officers, directors, representatives, agents, associates or any other affiliates as to the accuracy or completeness of the information contained in this Preliminary Placement Document or any other information (financial, legal or otherwise) supplied in connection with our Company, our Subsidiaries and the Equity Shares. Each person receiving this Preliminary Placement Document acknowledges that such person has not relied on either the BRLM or on any of its shareholders, employees, counsel, officers, directors, representatives, agents, associates or any other affiliates in connection with such person's investigation of the accuracy of such information or such person's investment decision, and each such person must rely on its own examination of our Company, and the merits and risks involved in investing in the Equity Shares issued pursuant to the Issue.

No person is authorised to give any information or to make any representation not contained in this Preliminary Placement Document and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of our Company, or by or on behalf of the Book Running Lead Manager. The delivery of this Preliminary Placement Document at any time does not imply that the information contained in it is correct as of any time subsequent to its date.

The Equity Shares to be issued pursuant to this Issue have not been approved, disapproved or recommended by any regulatory authority in any jurisdiction, including the United States Securities and Exchange Commission, any other federal or state authorities in the United States, the securities authorities of any non-United States jurisdiction or any other United States or non-United States regulatory authority. No authority has passed on or endorsed the merits of this Issue or the accuracy or adequacy of this Preliminary Placement Document. Any representation to the contrary is a criminal offence in the United States and may be a criminal offence in other jurisdictions.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons reasonably believed to be U.S. QIBs pursuant to Section 4(a)(2) of the U.S. Securities Act or another available exemption from the registration requirements of the U.S. Securities Act, and (b) outside the United States in "offshore transactions" as defined in, and in reliance on, Regulation S and the applicable laws of the jurisdictions where those offers and sales are made. The Equity Shares are transferable only in accordance with the restrictions described under the section "*Selling Restrictions*" on page 197. For the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Preliminary Placement Document as "QIBs". Subscribers and purchasers of the Equity Shares will be deemed to have made the representations, warranties, acknowledgements and agreements set forth in "*Representations by Investors*", "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 6, 197 and 207, respectively of this Preliminary Placement Document.

The distribution of this Preliminary Placement Document or the disclosure of its contents without the prior consent of our Company to any person, other than Eligible QIBs specified by the BRLM or its representatives, and those retained by Eligible QIBs to advise them with respect to their purchase of the Equity Shares is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and not further distribute or make any copies of this Preliminary Placement Document or any documents referred to in this Preliminary Placement Document. Any reproduction or distribution of this Preliminary Placement Document, in whole or in part, and any disclosure of its contents to any other person is prohibited.

The distribution of this Preliminary Placement Document and the issue of Equity Shares may be restricted in certain jurisdictions by applicable laws. As such, this Preliminary Placement Document does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. In particular, except for India, no action has been taken by our Company and the BRLM that would permit an offering of the Equity Shares or distribution of this Preliminary Placement Document in any jurisdiction, where action for that purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Preliminary Placement Document nor any offering material in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. For a description of the restrictions applicable to the offer and sale of the Equity Shares in the Issue in certain jurisdictions, see "*Selling Restrictions*" on page 197.

In making an investment decision, the prospective investors must rely on their own examination of our Company, our Subsidiaries and the Equity Shares and the terms of the Issue, including the merits and risks involved. Prospective investors should not construe the contents of this Preliminary Placement Document as legal, business, tax, accounting or investment advice. Prospective investors should consult their own counsel and advisors as to business, investment, legal, tax, accounting and related matters concerning the Issue. In addition, neither our Company nor the Book Running Lead Manager are making any representation to any investor, purchaser, offeree or subscriber to the Equity Shares in relation to this Issue regarding the legality of an investment in the Equity Shares by such investor, purchaser, offeree or subscriber under applicable legal, investment or similar laws or regulations. The prospective investors of the Equity Shares should conduct their own due diligence on the Equity Shares and our Company.

Each investor, purchaser, offeree or subscriber of the Equity Shares in the Issue is deemed to have acknowledged, represented and agreed that it is an Eligible QIB and is eligible to invest in India and in our Company under applicable law, including Chapter VI of the SEBI ICDR Regulations, Section 42 of the Companies Act and other provisions of the Companies Act, and that it is not prohibited by SEBI or any other regulatory, statutory or judicial authority, in India or any other jurisdiction, from buying, selling or dealing in securities including the Equity Shares. Each investor, purchaser, offeree or subscriber of the Equity Shares in the Issue also acknowledges that it has been afforded an opportunity to request from our Company and review information relating to our Company and the Equity Shares.

This Preliminary Placement Document contains summaries of terms of documents, which summaries are qualified in their entirety by the terms and conditions of such documents.

The information on our Company's website, www.saregama.com, or any website directly or indirectly linked to the website of our Company or on the website of the BRLM or any of their affiliates, does not constitute nor form part of this Preliminary Placement Document. Prospective investors should not rely on any such information contained in, or available through, any such websites.

The Company agrees to comply with any undertakings given by it from time to time in connection with the Equity Shares to the Stock Exchanges and, without prejudice to the generality of foregoing, shall furnish to the Stock Exchanges all such information as the rules of the Stock Exchanges may require in connection with the listing of the Equity Shares on the Stock Exchanges.

NOTICE TO INVESTORS IN THE UNITED STATES

THE EQUITY SHARES TO BE ISSUED PURUSANT TO THE ISSUE HAVE NOT BEEN RECOMMENDED BY ANY U.S. FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS PRELIMINARY PLACEMENT DOCUMENT OR APPROVED OR DISAPPROVED THE EQUITY SHARES. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES. IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE COMPANY AND THE TERMS OF THE OFFER, INCLUDING THE MERITS AND RISKS INVOLVED.

THE EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OR ANY OTHER APPLICABLE LAW OF THE UNITED STATES AND, UNLESS SO REGISTERED, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND APPLICABLE U.S. STATE SECURITIES LAWS. ACCORDINGLY, THE EQUITY SHARES ARE BEING OFFERED AND SOLD (A) IN THE UNITED STATES ONLY TO PERSONS REASONABLY BELIEVED TO BE U.S. QIBS PURSUANT TO SECTION 4(A)(2) OF THE U.S. SECURITIES ACT OR ANOTHER AVAILABLE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT, AND (B) OUTSIDE THE UNITED STATES IN "OFFSHORE TRANSACTIONS" AS DEFINED IN, AND RELIANCE ON, REGULATION S AND THE APPLICABLE LAWS OF THE JURISDICTIONS WHERE THOSE OFFERS AND SALES ARE MADE. THE EQUITY SHARES ARE TRANSFERABLE ONLY IN ACCORDANCE WITH THE RESTRICTIONS DESCRIBED UNDER THE SECTION "*SELLING RESTRICTIONS*" ON PAGE 197.

NOTICE TO INVESTORS IN THE EUROPEAN ECONOMIC AREA

This Preliminary Placement Document has been prepared on the basis that all offers of Equity Shares in Member States of the European Economic Area ("**EEA**") (each a "**Member State**") will be made pursuant to an exemption under the Prospectus Regulation from the requirement to produce a prospectus for offers of Equity Shares. The expression "Prospectus Regulation" means Regulation (EU) 2017/1129 of the European Parliament and Council EC (and amendments thereto). Accordingly, any person making or intending to make an offer within the EEA of Equity Shares which are the subject of the placement contemplated in this Preliminary Placement Document should only do so in circumstances in which no obligation arises for the Company or the Book Running Lead Manager to produce a prospectus for such offer. Neither the Company nor the Book Running Lead Manager has authorized, nor does either authorize, the making of any offer of Equity Shares through any financial intermediary, other than the offers made by the Book Running Lead Manager which constitute the final placement of Equity Shares contemplated in this Preliminary Placement Document.

Information to distributors

Solely for the purposes of the product governance requirements of Chapter 3 of the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the UK Product Governance Requirements) may otherwise have with respect thereto, the Equity Shares that are the subject of the Issue have been subject to a product approval process, which has determined that such Equity Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in the FCA Handbook Conduct of Business Sourcebook; and (ii) eligible for distribution through all permitted distribution channels (the "**UK Target Market Assessment**"). Notwithstanding the UK Target Market Assessment, "distributors" (for the purposes of the UK Product Governance Requirements) should note that: the price of the Equity Shares may decline and investors could lose all or part of their investment; the Equity Shares offer no guaranteed income and no capital protection; and an investment in the Equity Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The UK Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offering. For the avoidance of doubt, the UK Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of Chapters 9A or 10A respectively of the FCA Handbook Conduct of Business Sourcebook; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Equity Shares. Each distributor is responsible for undertaking its own target market assessment in respect of the Equity Shares and determining appropriate distribution channels.

NOTICE TO INVESTORS IN THE UNITED KINGDOM

In the United Kingdom, this document is being distributed only to, and is directed only at, persons: (A) (i) who have professional experience in matters relating to investments and who are investment professionals falling within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (the "**FSMA Order**"), (ii) falling within Article 49(2)(a) to (d) of the FSMA Order, and (iii) to whom it may otherwise lawfully be communicated; and (B) who are "qualified investors" within the meaning of Article 2(e) of the Prospectus Regulation (Regulation (EU) 2017/1129) as it forms part of retained EU law as defined in the European Union (Withdrawal) Act 2018 (all such persons together being referred to as "**relevant persons**"). This document must not be acted on or relied on in the United Kingdom, by persons who are not relevant persons. Any investment or investment activity to which the document relates is available only to, in the United Kingdom, relevant persons. The communication of this offering memorandum to any person who is not a relevant person is unauthorized and may contravene the Financial Services and Markets Act 2000, as amended.

NOTIFICATION PURSUANT TO SECTION 309B OF THE SECURITIES AND FUTURES ACT (CHAPTER 289 OF SINGAPORE)

Singapore Securities and Futures Act Product Classification – In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Company has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA) that the Equity Shares are: (A) prescribed capital markets products (as defined in the CMP Regulations 2018) and (B) Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

NOTICE TO INVESTORS IN CERTAIN OTHER JURISDICTIONS

This Preliminary Placement Document is not an offer to sell securities and is not soliciting an offer to subscribe to or buy securities in any jurisdiction where such offer, solicitation, sale or subscription is not permitted. For information to investors in certain other jurisdictions, see "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 197 and 207, respectively.

REPRESENTATIONS BY INVESTORS

All references to "you" or "your" in this section are to the Bidders in this Issue. By bidding for and/ or subscribing to any of the Equity Shares in this Issue, you are deemed to have represented, warranted, acknowledged and agreements set forth in the sections "*Notice to Investors*", "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 2, 197 and 207, respectively, and to have represented, warranted and acknowledged to and agreed to us and the BRLM as follows:

- You are a "**Qualified Institutional Buyer**" as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations and not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, having a valid and existing registration under applicable laws and regulations of India, and undertake to (i) acquire, hold, manage or dispose of any Equity Shares that are Allotted (hereinafter defined) to you in accordance with Chapter VI of the SEBI ICDR Regulations, the Companies Act, 2013 and all other applicable laws; and (ii) comply with all requirements under applicable law in this relation, including reporting obligations, requirements/ making necessary filings, if any, in connection with the Issue or otherwise accessing capital markets;

- You are eligible to invest in India under applicable law, including the FEMA Rules (as defined hereinafter), and have not been prohibited by SEBI or any other regulatory authority, statutory authority or otherwise, from buying, selling, or dealing in securities or otherwise accessing capital markets in India;

- If you are not a resident of India, but a QIB, you are an Eligible FPI (and are not an individual, corporate body or a family office), having a valid and existing registration with SEBI under the applicable laws in India or a multilateral or bilateral development financial institution, and are eligible to invest in India under applicable law, including the SEBI FPI Regulations, FEMA Rules, and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets. You confirm that you are not an FVCI;

- You will provide the information as required under the Companies Act, the PAS Rules and applicable SEBI ICDR Regulations and rules for record keeping by our Company, including your name, complete address, phone number, e-mail address, permanent account number (if applicable) and bank account details and such other details as may be prescribed or otherwise required even after the closure of the Issue;

- If you are Allotted Equity Shares, you shall not, for a period of one year from the date of Allotment, sell the Equity Shares so acquired except on the floor of the Stock Exchanges;

- You are aware that this Preliminary Placement Document and the Placement Document will not be filed as a prospectus with the RoC under the Companies Act, the SEBI ICDR Regulations or under any other law in force in India and, no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than Eligible QIBs. This Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4) has not been reviewed, verified or affirmed by the RBI, SEBI, the Stock Exchanges, the RoC or any other regulatory or listing authority and is intended only for use by Eligible QIBs;

- This Preliminary Placement Document has been filed, and the Placement Document will be filed, with the Stock Exchanges and this Preliminary Placement Document and the Placement Document will be displayed on the websites of our Company and the Stock Exchanges;

- You are permitted to subscribe for and acquire the Equity Shares under the laws of all relevant jurisdictions that apply to you and that you have fully observed such laws and you have necessary capacity, have obtained all necessary consents, governmental or otherwise, and authorisations and complied and shall comply with all necessary formalities, to enable you to participate in the Issue and to perform your obligations in relation thereto (including, without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorisations to agree to the terms set out or referred to in this Preliminary Placement Document), and will honour such obligations;

- You are aware that, our Company, the BRLM or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates are not making any recommendations to you or advising you regarding the suitability of any transactions it may enter into in connection with the Issue and your participation in the Issue is on the basis that you are not, and will not, up to the Allotment, be a client of the BRLM. The BRLM or any of their shareholders, directors, officers, employees, counsel, representatives, agents or affiliates do not have any duties or responsibilities to you for providing the protection afforded to their clients or customers or for providing advice in relation to the Issue and are not, in any way, acting in any fiduciary capacity;

- You confirm that, either: (i) you have not participated in or attended any investor meetings or presentations by our Company or its agents (the "**Company Presentations**") with regard to our Company or the Issue; or (ii) if you have participated in or attended any Company Presentations: (a) you understand and acknowledge that the BRLM may not have knowledge of the statements that our Company or its agents may have made at such Company Presentations and is therefore unable to determine whether the information provided to you at such Company Presentations may have included any material misstatements or omissions, and, accordingly you acknowledge that the BRLM has advised you not to rely in any way on any information that was provided to you at such Company Presentations, and (b) confirm that you have not been provided any material or price sensitive information relating to our Company and the Issue that was not publicly available;

- Your decision to subscribe to the Equity Shares to be issued pursuant to the Issue has not been made on the basis of any information, which is not set forth in this Preliminary Placement Document;

- You are subscribing to the Equity Shares to be issued pursuant to the Issue in accordance with applicable laws and by participating in this Issue, you are not in violation of any applicable law, including but not limited to the SEBI Insider Trading Regulations, the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, as amended, and the Companies Act;

- You understand that the Equity Shares issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association of our Company and will be credited as fully paid and will rank pari passu in all respects with the existing Equity Shares including the right to receive dividend and other distributions declared;

- All statements other than statements of historical fact included in this Preliminary Placement Document, including, without limitation, those regarding us or our financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to our business), are forward-looking statements. You are aware that, such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and environment in which we will operate in the future. You should not place undue reliance on forward-looking statements, which speak only as at the date of this Preliminary Placement Document. None of our Company, the BRLM or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates assume any responsibility to update any of the forward-looking statements contained in this Preliminary Placement Document;

- You are aware and understand that the Equity Shares are being offered only to Eligible QIBs on a private placement basis and are not being offered to the general public, or any other category other than Eligible QIBs, and the Allotment of the same shall be at the sole discretion of our Company, in consultation with the BRLM;

- You are aware that in terms of the requirements of the Companies Act, upon Allocation, our Company will be required to disclose names and percentage of post-Issue shareholding of the proposed Allottees in the Placement Document, as applicable. However, disclosure of such details in relation to the proposed Allottees in the Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the BRLM;

- You are aware that if you are Allotted more than 5% of the Equity Shares in the Issue, our Company shall be required to disclose your name and the number of the Equity Shares Allotted to you to the Stock Exchanges and the Stock Exchanges will make the same available on their website and you consent to such disclosures;

- You have been provided a serially numbered copy of this Preliminary Placement Document and have read it in its entirety, including in particular, "*Risk Factors*" on page 47;

- In making your investment decision, you have (i) relied on your own examination of us, the Equity Shares and the terms of the Issue, including the merits and risks involved, (ii) made and will continue to make your own assessment of us, the Equity Shares and the terms of the Issue, based solely on and in reliance of the information contained in this Preliminary Placement Document and no other disclosure or representation by our Company or any other party, (iii) consulted your own independent counsel and advisors or otherwise have satisfied yourself concerning, without limitation, the effects of local laws (including tax laws), (iv) received all information that you believe is necessary or appropriate in order to make an investment decision in respect of us and the Equity Shares, and (v) relied upon your own investigation and resources in deciding to invest in the Issue;

- Neither the Company nor the BRLM nor any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates have provided you with any tax advice or otherwise made any representations regarding the tax consequences of purchase, ownership and disposal of the Equity Shares (including but not limited to the Issue and the use of the proceeds from the Equity Shares);

- You will obtain your own independent tax advice from a service provider and will not rely on the BRLM or any of their shareholders, directors, officers, employees, counsel, representatives, agents or affiliates when evaluating the tax consequences in relation to the Equity Shares (including in relation to limited to the Issue and the use of the proceeds from the Equity Shares). You waive, and agree not to assert any claim against us or the BRLM or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates with respect to the tax aspects of the Equity Shares or as a result of any tax audits by tax authorities, wherever situated;

- You are a sophisticated investor and have such knowledge and experience in financial, business and investment matters as to be capable of evaluating the merits and risks of an investment in the Equity Shares. You are experienced in investing in private placement transactions of securities of companies in a similar nature of business, similar stage of development and in similar jurisdictions. You and any managed accounts for which you are subscribing for the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to our Company and/or the BRLM or any of their respective shareholders, directors, officers, employees, counsel, advisors, representatives, agents or affiliates for all or part of any such loss or losses that may be suffered in connection with the Issue, including losses arising out of non-performance by our Company of any of its respective obligations or any breach of any representations and warranties by our Company, whether to you or otherwise, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) have no need for liquidity with respect to the investment in the Equity Shares, (v) have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares; and (vi) are seeking to subscribe to the Equity Shares in the Issue for your own investment and not with a view to resell or distribute. You are aware that investment in Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment;

- If you are acquiring the Equity Shares to be issued pursuant to this Issue for one or more managed accounts, you represent and warrant that you are authorised in writing, by each such managed account to acquire such Equity Shares for each managed account and hereby make the representations, warranties, acknowledgements, undertakings and agreements herein for and on behalf of each such account, reading the reference to "you" to include such accounts;

- You are not a 'promoter' of our Company as defined under the SEBI ICDR Regulations, and are not a person related to our Promoter, either directly or indirectly and your Bid (hereinafter defined) does not directly or indirectly represent our Promoter or members of our Promoter Group (as defined under the SEBI ICDR Regulations) or persons or entities related thereto;

- You have no rights under a shareholders' agreement or voting agreement entered into with the Promotes or members of the Promoter Group, no veto rights or right to appoint any nominee director on the Board of Directors of our Company, other than the rights, if any, acquired in the capacity of a lender not holding any Equity Shares, the acquisition of which shall not deem you to be a Promoter or a person related to the Promoter;

- You agree that in terms of Section 42(7) of the Companies Act and Rule 14 of the PAS Rules, we shall file the list of Eligible QIBs (to whom this Preliminary Placement Document will be circulated) along with other particulars including your name, complete address, phone number, e-mail address, permanent account number and bank account details, including such other details as may be prescribed or otherwise required even after the closure of the Issue with the RoC and SEBI within 30 days of circulation of this Preliminary Placement Document and other filings required under the Companies Act, 2013;

- You will have no right to withdraw your Bid or revise your Bid downwards after the Bid/ Issue Closing Date (as defined hereinafter);

- You are eligible to Bid for and hold the Equity Shares so Allotted, together with any Equity Shares held by you prior to the Issue. You further confirm that your aggregate holding after the Allotment of the Equity Shares shall not exceed the level permissible as per any applicable law;

- The Bid made by you would not ultimately result in triggering an open offer under the SEBI Takeover Regulations as defined herein) and you shall be solely responsible for compliance with all other applicable provisions of the SEBI Takeover Regulations;

- Your aggregate equity shareholding in our Company, together with other Allottees that belong to the same group or are under common control as you, pursuant to the Allotment under the Issue shall not exceed 50% of the Issue Size. For the purposes of this representation:

  (a) Eligible QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and independent directors, amongst an Eligible QIB, its subsidiary or holding company and any other Eligible QIBs; and

  (b) 'Control' shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the SEBI Takeover Regulations;

- You shall not undertake any trade in the Equity Shares credited to your beneficiary account until such time that the final listing and trading approvals for such Equity Shares to be issued pursuant to this Issue, are issued by the Stock Exchanges;

- You are aware that (i) applications for in-principle approval, in terms of Regulation 28(1)(a) of the SEBI Listing Regulations, for listing and admission of the Equity Shares to be issued pursuant to the Issue and for trading on the Stock Exchanges, were made and an in-principle approval has been received by our Company from each of the Stock Exchanges, and (ii) the application for the final listing and trading approval will be made only after Allotment. There can be no assurance that the final listing and trading approvals for listing of the Equity Shares, to be issued pursuant to this Issue, will be obtained in time or at all. Neither our Company nor the BRLM nor any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates shall be responsible for any delay or non-receipt of such final listing and trading approvals or any loss arising from such delay or non-receipt;

- You are aware and understand that the BRLM has entered into a Placement Agreement with our Company whereby the BRLM have, subject to the satisfaction of certain conditions set out therein, undertaken to use their reasonable efforts to procure subscription for the Equity Shares on the terms and conditions set forth therein;

- You understand that the contents of this Preliminary Placement Document are exclusively the responsibility of our Company, and that neither the BRLM nor any person acting on its behalf or any of the counsel or advisors to the Issue has or shall have any liability for any information, representation or statement contained in this Preliminary Placement Document or any information previously published by or on behalf of our Company and will not be liable for your decision to participate in the Issue based on any information, representation or statement contained in this Preliminary Placement Document or otherwise. By accepting a participation in the Issue, you agree to the same and confirm that the only information you are entitled to rely on, and on which you have relied in committing yourself to acquire the Equity Shares is contained in this Preliminary Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares, you have neither received nor relied on any other information, representation, warranty or statement made by or on behalf of the BRLM or our Company or any other person, and the BRLM or our Company or any of their respective affiliates, including any view, statement, opinion or representation expressed in any research published or distributed by them, the BRLM and their affiliates will not be liable for your decision to accept an invitation to participate in the Issue based on any other information, representation, warranty, statement or opinion;

- You understand that the BRLM or any of its shareholders, directors, officers, employees, counsel, representatives, agents or affiliates do not have any obligation to purchase or acquire all or any part of the Equity Shares purchased by you in the Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Issue, including the non-performance by our Company or any of its obligations or any breach of any representations or warranties by us, whether to you or otherwise;

- You are able to purchase the Equity Shares in accordance with the restrictions described in "*Selling Restrictions*" on page 197, you understand and agree that the Equity Shares are transferable only in accordance with the restrictions described in "*Selling Restrictions*" on page 197, and you have made, or are deemed to have made, as applicable, the representations, warranties, acknowledgements, undertakings and agreements in "*Selling Restrictions*" on page 197;

- You understand that the Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws of the United States and unless so registered, may not be offered, sold or delivered within the United States, except in reliance on an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws, and that the Equity Shares are being offered and sold (a) in the United States only to persons reasonably believed to be U.S. QIBs in transactions exempt from the registration requirements of the U.S. Securities Act, and (b) outside the United States in "offshore transactions" as defined in, and in reliance on, Regulation S and the applicable laws of the jurisdictions where those offers and sales are made;

- If you are within the United States, you are a U.S. QIB, who is acquiring the Equity Shares for your own account or for the account of an institutional investor who also meets the definition of a U.S. QIB, for investment purposes only, and not with a view to, or for reoffer or resale in connection with, the distribution (within the meaning of any United States securities laws) thereof, in whole or in part, and are not an affiliate of the Company or a person acting on behalf of such an affiliate;

- If you are in the United States, you (i) are not acquiring or subscribing for the Equity Shares as a result of any "general solicitation or general advertising" (within the meaning of Regulation D under the U.S. Securities Act) and (ii) understand and agree that (x) offers and sales in the United States of the Equity Shares are being made in reliance on an exemption to the registration requirements of the U.S. Securities Act provided by Section 4(a)(2) of the U.S. Securities Act or another available exemption from registration under the U.S. Securities Act, and (y) the Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act and may not be eligible for resale or transfer under Rule 144 under the U.S. Securities Act, and (z) the Equity Shares may not be deposited into an unrestricted depository receipt facility established or maintained by a depository bank unless and until such time as such Equity Shares are no longer "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act;

- If you are outside the United States, you are subscribing for the Equity Shares in an "offshore transaction" as defined and in compliance with Regulation S, and are not an affiliate of the Company or the Book Running Lead Manager or a person acting on behalf of such an affiliate;

- If you are outside the United States, you are not acquiring or subscribing for the Equity Shares as a result of any "directed selling efforts" (as defined in Regulation S) and you understand and agree that offers and sales are being made in reliance on an exemption to the registration requirements of the U.S. Securities Act;

- You agree that any dispute arising in connection with the Issue will be governed by and construed in accordance with the laws of Republic of India, and the courts in Mumbai, India shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Preliminary Placement Document and the Placement Document;

- Each of the representations, warranties, acknowledgements and agreements set out above shall continue to be true and accurate at all times up to and including the Allotment, listing and trading of the Equity Shares in the Issue;

- You agree to indemnify and hold our Company, the BRLM and their respective directors, officers, employees, affiliates, associates, controlling persons and representatives harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the foregoing representations, warranties, acknowledgements and undertakings made by you in this Preliminary Placement Document. You agree that the indemnity set out in this paragraph shall survive the resale of the Equity Shares by, or on behalf of, the managed accounts;

- You acknowledge that this Preliminary Placement Document does not, and the Placement Document shall not confer upon or provide you with any right of renunciation of the Equity Shares offered through the Issue in favour of any person;

- You will make the payment for subscription to the Equity Shares pursuant to this Issue from your own bank account. In case of joint holders, the monies shall be paid from the bank account of the person whose name appears first in the application;

- You are aware that in terms of the SEBI FPI Regulations and the FEMA Rules, the total holding by each FPI including its investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than fifty percent or common control) shall be below 10% of the total paid-up equity share capital of our Company on a fully diluted basis and the total holdings of all FPIs put together shall not exceed the sectoral cap applicable to our Company. In terms of the FEMA Rules, for calculating the total holding of FPIs in a company, holding of all registered FPIs shall be included. Hence, Eligible FPIs may invest in such number of Equity Shares in this Issue such that (i) the individual investment of the FPI in our does not exceed 10% of the post-Issue paid-up Equity Share capital of our Company on a fully diluted basis and (ii) the aggregate investment by FPIs in our Company does not exceed the sectoral cap applicable to our Company. In case the holding of an FPI together with its investor group increases to 10% or more of the total paid-up Equity Share capital, on a fully diluted basis, such FPI together with its investor group shall divest the excess holding within a period of five trading days from the date of settlement of the trades resulting in the breach. If however, such excess holding has not been divested within the specified period of five trading days, the entire shareholding of such FPI together with its investor group will be re-classified as FDI, subject to the conditions as specified by SEBI and the RBI in this regard and compliance by our Company and the investor with applicable reporting requirements and the FPI and its investor group will be prohibited from making any further portfolio investment in our Company under the SEBI FPI Regulations;

- You confirm that neither is your investment as an entity of a country which shares land border with India nor is the beneficial owner of your investment situated in or a citizen of such country (in each which case, investment can only be through the Government approval route), and that your investment is in accordance with consolidated FDI Policy, issued by the Department of Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India and Rule 6 of the FEMA Rules;

- You are aware and understand that you are allowed to place a Bid for Equity Shares. Please note that submitting a Bid for Equity Shares should not be taken to be indicative of the number of Equity Shares that will be Allotted to a successful Bidder. Allotment of Equity Shares will be undertaken by our Company, in its absolute discretion, in consultation with the BRLM;

- You represent that you are not an affiliate of our Company or the BRLM or a person acting on behalf of such affiliate;

- Our Company, the BRLM, their respective affiliates, directors, officers, counsels, employees, shareholders, representatives, agents, controlling persons and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings, and are irrevocable. It is agreed that if any of such representations, warranties, acknowledgements and undertakings are no longer accurate, you will promptly notify our Company and the BRLM. You are not an affiliate of our Company, or a person acting on behalf of an affiliate of our Company; and

- You will make all necessary filings with appropriate regulatory authorities, including the RBI, as required pursuant to applicable laws.

OFF-SHORE DERIVATIVE INSTRUMENTS

Subject to compliance with all applicable laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an Eligible FPI including affiliates of the BRLM, which is registered as a Category I FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying, and all such offshore derivative instruments are referred to herein as "**P-Notes**"), and persons who are eligible for registration as Category I FPIs can subscribe to or deal in such P-Notes provided that in the case of an entity that has an investment manager who is from the Financial Action Task Force member country, such investment manager shall not be required to be registered as a Category I FPI. The above-mentioned category I FPIs may receive compensation from the purchasers of such instruments. In terms of Regulation 21 of SEBI FPI Regulations, P-Notes may be issued only by such persons who are registered as Category I FPIs and they may be issued only to persons eligible for registration as Category I FPIs, subject to exceptions provided in the SEBI FPI Regulations and compliance with 'know your client' requirements, as specified by SEBI and subject to compliance with such other conditions as may be specified by SEBI from time to time. An Eligible FPI shall also ensure that no transfer of any instrument referred to above is made to any person unless such FPIs are registered as Category I FPIs, and such instrument is being transferred only to person eligible for registration as Category I FPIs subject to requisite consents being obtained in terms of Regulation 21 of SEBI FPI Regulations. The above-mentioned Category I FPIs may receive compensation from the purchasers of such instruments. Such P-Notes can be issued subject to compliance with the KYC norms and such other conditions as specified by SEBI from time to time, including payment of applicable regulatory fee. P-Notes have not been and are not being offered or sold pursuant to this Preliminary Placement Document. This Preliminary Placement Document does not contain any information concerning P-Notes or the issuer(s) of any P-Notes, including without limitation, any information regarding any risk factors relating thereto.

Subject to certain relaxations provided under Regulation 22(4) of the SEBI FPI Regulations, investment by a single FPI including its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50% or common control,) is not permitted to be 10% or above of our post-Issue Equity Share capital on a fully diluted basis ("**Investment Restrictions**"). The SEBI has, *vide* a circular dated November 5, 2019, issued the operational guidelines for FPIs, designated depository participants and eligible foreign investors (the "**FPI Operational Guidelines**"), to facilitate implementation of the SEBI FPI Regulations. In terms of such FPI Operational Guidelines, the Investment Restrictions shall also apply to subscribers of P-Notes and two or more subscribers of P-Notes having common ownership, directly or indirectly, of more than 50% or common control shall be considered together as a single subscriber of the P-Notes. Further, in the event a prospective investor has investments as an FPI and as a subscriber of P-Notes, the Investment Restrictions shall apply on the aggregate of the FPI investments and P-Notes positions held in the underlying company.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, read with the FDI Policy, issued by the Department for Promotion of Industry and Internal Trade, Government of India, investments where the entity is of a country which shares land border with India or where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the FDI Policy and FEMA rules. These investment restrictions shall also apply to subscribers of P-Notes.

Affiliates of the BRLM which are Eligible FPIs may purchase, to the extent permissible under law, the Equity Shares in the Issue, and may issue P-Notes in respect thereof. Any P-Notes that may be issued are not securities of our Company and do not constitute any obligation of, claims on or interests in our Company. Our Company has not participated in any offer of any P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to any P-Notes. Any P-Notes that may be offered are issued by, and are the sole obligations of, third parties that are unrelated to our Company. Our Company and the BRLM do not make any recommendation as to any investment in P-Notes and do not accept any responsibility whatsoever in connection with any P-Notes. Any P-Notes that may be issued are not securities of the BRLM and does not constitute any obligations of or claims on the BRLM.

Bidders interested in purchasing any P-Notes have the responsibility to obtain adequate disclosures as to the issuer(s) of such P-Notes and the terms and conditions of any such P-Notes from the issuer(s) of such P-Notes. Neither SEBI nor any other regulatory authority has reviewed or approved any P-Notes, or any disclosure related thereto. Prospective investors are urged to consult their own financial, legal, accounting and tax advisors regarding any contemplated investment in P-Notes, including whether P-Notes are issued in compliance with applicable laws and regulations.

DISCLAIMER CLAUSE OF THE STOCK EXCHANGES

As required, a copy of this Preliminary Placement Document has been submitted to the Stock Exchanges. The Stock Exchanges do not in any manner:

1. warrant, certify or endorse the correctness or completeness of any of the contents of this Preliminary Placement Document;

2. warrant that our Equity Shares to be issued pursuant to this Issue, will be listed or will continue to be listed on the Stock Exchanges; or

3. take any responsibility for the financial or other soundness of our Company, our Promoter, our management or any scheme or project of our Company.

It should not for any reason be deemed or construed to mean that this Preliminary Placement Document has been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquires any Equity Shares may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges whatsoever by reason of any loss which may be suffered by such person consequent to, or in connection with, such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

PRESENTATION OF FINANCIAL AND OTHER DATA

Certain conventions

In this Preliminary Placement Document, unless otherwise specified or the context otherwise indicates or implies, references to 'you', 'bidder', '‘your', 'offeree', 'purchaser', 'subscriber', 'recipient', 'investors', 'prospective investors' and 'potential investor' are to the Eligible QIBs who are the prospective investors in the Equity Shares issued pursuant to the Issue, references to the "our Company", the "Company" or the "Issuer" are to Saregama India Limited on a standalone basis and references to 'we', 'us', 'our' or the 'Group' are to Saregama India Limited together with our Subsidiaries, on a consolidated basis.

Currency and units of presentation

In this Preliminary Placement Document, references to 'US$', 'USD' and 'U.S. dollars' are to the legal currency of the United States of America, references to '₹', 'INR', 'Rs.', 'Indian Rupees' and 'Rupees' are to the legal currency of Republic of India, and references to "GBP" or "£" are to British pound, the legal currency of the United Kingdom. All references herein to the 'US' or 'U.S.' or the 'United States' are to the United States of America and its territories and possessions. All references herein to "India" are to the Republic of India and its territories and possessions and all references herein to the 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, central or state, as applicable.

References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable.

Figures in this Preliminary Placement Document have been presented in lakhs or in whole numbers where the numbers have been too small to present in lakhs unless stated otherwise. Further, certain figures in the "*Industry Overview*" section of this Preliminary Placement Document have been presented in lakhs and crore. Our Audited Consolidated Financial Statements for Fiscal 2021 and the Unaudited Condensed Consolidated Interim Financial Statements as at and for the six months period ended September 30, 2021 are prepared in lakhs and have been presented in this Preliminary Placement Document in lakhs for presentation purposes.

In this Preliminary Placement Document, references to "crore(s)" represents "1,00,00,000", "million" represents "0.1 crore" or "1,000,000", "lakh(s)" represents "1,00,000" or "0.1 million" and "billion" represents "1,000,000,000" or "1,000 million" or "100 crore".

Certain figures contained in this Preliminary Placement Document, including financial information, have been subject to rounding adjustments. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given, and (ii) the sum of the figures in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Any such discrepancies between the totals and the sum of the amounts listed are due to rounding off adjustments. All figures in decimals have been rounded off to the second decimal.

Unless otherwise specified, all financial numbers in parenthesis represent negative figures.

Page numbers

Unless otherwise stated, all references to page numbers in this Preliminary Placement Document are to page numbers of this Preliminary Placement Document.

Financial data and other information

The financial year of our Company commences on April 1 of each calendar year and ends on March 31 of the following calendar year, and, unless otherwise specified or if the context requires otherwise, all references to a particular 'financial year', 'Fiscal Year', 'fiscal' or 'FY' are to the twelve-month period ended on March 31 of that year and references to a particular 'year' are to the calendar year ending on December 31 of that year.

Our Company has published its Audited Consolidated Financial Statements for Fiscal 2021, Fiscal 2020 and Fiscal 2019 and Unaudited Condensed Consolidated Interim Financial Statements as at and for the six months period ended September 30, 2021 in Indian Rupees in lakhs. As required under applicable regulations, and for the convenience of prospective investors, we have included the following in this Preliminary Placement Document:

- audited consolidated financial statements of our Company and its Subsidiaries as at and for the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019, prepared in accordance with the Indian Accounting Standard (referred to as "Ind AS"), as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India and other relevant provisions of the Companies Act (collectively, the "**Audited Consolidated Financial Statements**");

- unaudited condensed consolidated interim financial statements of our Company and its Subsidiaries as at and for the six months period ended September 30, 2021 prepared in accordance with the principles laid down in Indian Accounting Standards 34 'Interim Financial Reporting' prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India (the "**Unaudited Condensed Consolidated Interim Financial Statements**").

The Audited Consolidated Financial Statements should be read along with the respective audit reports, and the Unaudited Condensed Consolidated Interim Financial Statements should be read along with the respective review report. Further, our Unaudited Condensed Consolidated Interim Financial Statements are not necessarily indicative of results that may be expected for the full financial year or any future reporting period and are not comparable with the annual financials.

Our Company prepares its financial statements in accordance with Ind AS. Ind AS differs from accounting principles with which prospective investors may be familiar in other countries, including generally accepted accounting principles followed in the U.S. ("**U.S. GAAP**") or International Financial Reporting Standards ("**IFRS**"). Our Company does not attempt to quantify the impact of U.S. GAAP or IFRS on the financial data included in this Preliminary Placement Document, nor does our Company provide a reconciliation of its Audited Consolidated Financial Statements and Unaudited Condensed Consolidated Interim Financial Statements to IFRS or U.S. GAAP. Accordingly, the degree to which the Audited Consolidated Financial Statements and the Unaudited Condensed Consolidated Interim Financial Statements included in this Preliminary Placement Document will provide meaningful information is entirely dependent on the reader's familiarity with the respective Indian accounting policies and practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Preliminary Placement Document should accordingly be limited. Please see "*Risk Factors - Differences exist between Ind-AS and other accounting principles, such as U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with Ind-AS contained in this Preliminary Placement Document*" on page 66.

Unless otherwise stated or unless the context requires otherwise, the financial information contained in this Preliminary Placement Document as at and for the year ended March 31, 2021 is derived from the audited consolidated financial statements as at and for the year ended March 31, 2021, as at and for the year ended March 31, 2020 is derived from the audited consolidated financial statements as at and for the year ended March 31, 2020, as at and for the year ended March 31, 2019 is derived from the audited consolidated financial statements as at and for the year ended March 31, 2019, as at and for the six months period ended September 30, 2021 is derived from unaudited condensed consolidated interim financial statements as at and for the six months period ended September 30, 2021. For details, please see the section entitled "*Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 234 and 83, respectively.

Non-GAAP financial measures

Certain non-GAAP measures and certain other statistical information such as Adjusted Debt/Equity Ratio[1], Adjusted Interest[2], Adjusted Interest Coverage Ratio[3], Adjusted Profit[4], EBIT[5], Net Worth[6], ROCE[7], Capital Employed[8] and Return on Net Worth[9] (together referred as "**Non-GAAP Measures**") presented in this Preliminary Placement Document are a supplemental measure of our performance and liquidity that are not required by, or presented in accordance with, Ind AS, Indian GAAP, or IFRS. We compute and disclose such non-GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance.

1. *Adjusted Debt/Equity Ratio: Adjusted debt/equity ratio is Debt divided by Net Worth. Debt represents total borrowings of the Company*
2. *Adjusted Interest: Adjusted interest is finance costs less interest expense on financial liabilities measured at amortised cost on unwinding of discount on financial liabilities provisions and on lease liabilities.*
3. *Adjusted Interest Coverage Ratio: Adjusted Interest coverage ratio is Adjusted Profit for the period/year divided by Adjusted Interest for the period/year.*

4. *Adjusted Profit: Adjusted profit is profit for the period/year plus depreciation and amortisation expense for the period/year plus Adjusted Interest for the period/year.*
5. *Earnings Before Interest and Tax expense or EBIT: Earnings before interest and tax expense is profit for the period/year before tax expense and finance costs.*
6. *Net Worth: Net worth is the sum of (i) issued, subscribed and paid-up equity share capital at the end of the year, (ii) general reserve as at the end of the year, (iii) securities premium reserve as at the end of the year, and (iv) retained earnings as at the end of the year.*
7. *Return on Capital Employed or ROCE: Return on Capital Employed is Earnings Before Interest and Tax divided by Capital Employed.*
8. *Capital Employed: Capital employed is Net Worth plus borrowing.*
9. *Return on Net Worth: Return on Net Worth is profit for the period/year divided by Net Worth.*

Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, or IFRS and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the year/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, or IFRS. In addition, these Non-GAAP Measures are not a standardised term, hence a direct comparison of similarly titled Non-GAAP Measures between companies may not be possible. Other companies may calculate the Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. Although the Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that it is useful to an investor in evaluating us because it is a widely used measure to evaluate a company's operating performance or liquidity. See, "*Risk Factors - We track certain operational metrics with internal systems and tools. Certain of our operational metrics are subject to inherent challenges in measurement which may adversely affect our business and reputation*" on page 62.

INDUSTRY AND MARKET DATA

Information regarding market size, market share, market position, growth rates and other industry data pertaining to our business contained in this Preliminary Placement Document consists of estimates based on data reports compiled by governmental bodies, professional organisations and analysts and on data from other external sources, and on our knowledge of markets in which we compete.

Unless stated otherwise, statistical information, industry and market data used throughout this Preliminary Placement Document has been obtained from the report titled "*Assessment of music distribution industry in India*" dated October, 2021 ("**CRISIL Report**"), which is a report commissioned and paid for by us and prepared by CRISIL Research. Further, CRISIL has issued the following disclaimer in the CRISIL Report:

"CRISIL Research, a division of CRISIL Limited ("CRISIL") has taken due care and caution in preparing this Report based on the information obtained by CRISIL from sources which it considers reliable ("Data"). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data / Report and is not responsible for any errors or omissions or for the results obtained from the use of Data / Report. This Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of this Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL especially states that it has no liability whatsoever to the subscribers / users / transmitters/ distributors of this Report. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. Saregama India Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL Ratings Limited / CRISIL Risk and Infrastructure Solutions Ltd (CRIS), which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL Research and not of CRISIL Ratings Limited / CRIS. No part of this Report may be published/reproduced in any form without CRISIL's prior written approval."

This information is subject to change and cannot be certified with complete certainty due to limits on the availability and reliability of raw data and other limitations and uncertainties inherent in any statistical survey. Neither we nor the BRLM have independently verified this market and industry data, nor do we or the BRLM make any representation regarding the accuracy or completeness of such data. The extent to which the market and industry data used in this Preliminary Placement Document is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. Further, the calculation of certain statistical and/ or financial information/ ratios specified in the sections titled "*Business*", "*Risk Factors*", "*Management's Discussions and Analysis of Results of Operations and Financial Condition*" and otherwise in this Preliminary Placement Document may vary from the manner such information is calculated under and for purposes of, and as specified in, the CRISIL Report. Data from these sources may also not be comparable.

Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. Such information involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors – Certain sections of this Preliminary Placement Document contain information from CRISIL Report which has been commissioned and paid for by us and any reliance on such information for making an investment decision in the Issue is subject to inherent risks. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate*" on page 62.

FORWARD LOOKING STATEMENTS

Certain statements contained in this Preliminary Placement Document that are not statements of historical fact constitute "forward-looking statements." Investors can generally identify forward-looking statements by terminology such as "aim", "anticipate", "believe", "continue", "could", "estimate", "expect", "intend", "can", "could", "may", "objective", "plan", "potential", "project", "pursue", "shall", "should", "will", "would", "will likely result", "is likely", "are likely", "believe", "expect", "expected to", "will continue", "will pursue", "will achieve", or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements. All statements regarding our expected financial condition, results of operations and business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Preliminary Placement Document that are not historical facts.

These forward-looking statements and any other projections contained in this Preliminary Placement Document (whether made by our Company or any third party) are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements or other projections.

Important factors that could cause our actual results, performances and achievements to be materially different from any of the forward-looking statements include, among others:

- Challenges due to piracy or in maintaining, protecting and enforcing our intellectual property rights, and our involvement in intellectual property litigation.
- Changing consumer tastes could compromise our ability to predict which songs, music, films or television series will be popular with audiences in India and internationally.
- Any material change or cancellation of our licensing agreements with streaming applications, social media platforms, video streaming platforms, broadcasting platforms or other significant licensees.
- Dependence on continued market acceptance and demand among consumers for our Carvaan audio player and inability to sell our inventory at expected pricing.
- Failure to source additional IP through acquisitions or own productions.
- Continuing impact of the outbreak of the COVID-19.
- Delays, cost overruns, cancellation or abandonment of the completion or release of films or television series.
- Our ability to successfully consummate favorable transactions for strategic acquisitions or joint ventures or successfully integrate acquired businesses or fully control the operations and assets of joint ventures.

Additional factors that could cause our actual results, performance or achievements to differ include but are not limited to, those discussed in "*Risk Factors*", "*Our Business*", *"Industry Overview"* and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 47, 146, 122 and 83, respectively.

By their nature, certain of the market risk disclosures are only estimates and could be materially different from what occurs in the future. As a result, actual future gains, losses or impact on revenue or income could materially differ from those that have been estimated, expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

The forward-looking statements contained in this Preliminary Placement Document are based on the beliefs of the management, as well as the assumptions made by and information currently available to the management. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to rely on such forward-looking statements. In any event, these statements speak only as of the date of this Preliminary Placement Document or the respective dates indicated in this Preliminary Placement Document, and neither we, the BRLM nor any of its affiliates undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise. If any of these risks and uncertainties materialize, or if any of our underlying assumptions prove to be incorrect, our actual results of operations or cash flows or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

ENFORCEMENT OF CIVIL LIABILITIES

Our Company is a limited liability company incorporated under the laws of India. Our Directors and Senior Management Personnel named in this Preliminary Placement Document, are residents of India and all of the assets of our Company are located in India. As a result, it may be difficult or may not be possible for the prospective investors outside India to affect service of process upon our Company or such persons in India, or to enforce against them judgments of courts outside India.

India is not a signatory to any international treaty in relation to the recognition or enforcement of foreign judgments. However, recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A, respectively, of the Code of Civil Procedure, 1908, as amended ("**Civil Procedure Code**"). Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon between the same parties or parties litigating under the same title, except:

1. where the judgment has not been pronounced by a court of competent jurisdiction;
2. where the judgment has not been given on the merits of the case;
3. where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases in which such law is applicable;
4. where the proceedings in which the judgment was obtained were opposed to natural justice;
5. where the judgment has been obtained by fraud; and
6. where the judgment sustains a claim founded on a breach of any law then in force in India.

Section 44A of the Civil Procedure Code provides that a foreign judgment rendered by a superior court (within the meaning of that section) in any jurisdiction outside India which the Government has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a district court in India. Under Section 14 of the Civil Procedure Code, a court in India will, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the foreign judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record, but such presumption may be displaced by proving want of jurisdiction. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalties and does not include arbitration awards.

Each of the United Kingdom, United Arab Emirates, Singapore and Hong Kong, amongst others has been declared by the Government to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code, but the United States of America has not been so declared. A foreign judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a fresh suit upon the foreign judgment and not by proceedings in execution. The suit must be filed in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India. Accordingly, a judgment of a court in the United States may be enforced only by a fresh suit upon the foreign judgment and not by proceedings in execution.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy of India and it is uncertain whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. Further, any judgment or award denominated in a foreign currency would be converted into Indian Rupees on the date of such judgment or award and not on the date of payment. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered, and any such amount may be subject to income tax pursuant to execution of such a judgment in accordance with applicable laws.

EXCHANGE RATES INFORMATION

Fluctuations in the exchange rate between the Rupee and foreign currencies will affect the foreign currency equivalent of the Rupee price of the Equity Shares traded on the Stock Exchanges. These fluctuations will also affect the conversion into foreign currencies of any cash dividends paid in Rupees on the Equity Shares.

The following table sets forth information, for the period indicated with respect to the exchange rates between the Rupee and the U.S. dollar (in ₹ per US$) and Rupee and the British Pound (in ₹ per GBP), for the periods indicated. The exchange rates are based on the reference rates released by the RBI and FBIL, which are available on the website of the RBI and FBIL. No representation is made that any Rupee amounts could have been, or could be, converted into U.S. dollars or British Pound at any particular rate, the rates stated below, or at all.

(₹ per US$ and GBP)

	Period end(1)		**Average**(2)		**High**(3)		**Low**(4)	
	US$	**GBP**	**US$**	**GBP**	**US$**	**GBP**	**US$**	**GBP**
Fiscal ended:								
March 31, 2021	73.50	100.95	74.20	97.06	76.81	102.66	72.29	91.95
March 31, 2020	75.39	93.08	70.88	90.15	76.15	96.67	68.37	83.54
March 31, 2019	69.17	90.48	70.94	91.74	74.39	98.30	68.30	88.19
Month ended								
September 30, 2021	74.26	99.86	73.56	101.05	74.26	101.98	72.96	99.86
August 31, 2021	73.15	100.95	74.18	102.40	74.43	103.45	73.15	100.95
July 31, 2021	74.39	103.73	74.53	102.97	74.86	103.73	74.28	102.11
June 30, 2021	74.35	102.95	73.56	103.21	74.37	103.72	72.77	102.45
May 31, 2021	72.52	102.87	73.27	103.09	74.18	103.80	72.48	102.46
April 30, 2021	74.02	103.16	74.47	103.13	75.17	104.58	73.31	101.53

(Source: www.rbi.org.in and www.fbil.org.in)

1. *The price for the period end refers to the price as on the last trading day of the respective annual or monthly periods.*
2. *Average of the official rate for each Working Day of the relevant period.*
3. *Maximum of the official rate for each Working Day of the relevant period.*
4. *Minimum of the official rate for each Working Day of the relevant period.*

Note:

- *In case of holidays, the exchange rate on the last traded day of the month has been considered as the rate for the period end.*
- *High, low and average are based on the RBI reference rates and rounded off to two decimal places.*

DEFINITIONS AND ABBREVIATIONS

This Preliminary Placement Document uses the definitions and abbreviations set forth below which you should consider when reading the information contained herein. The following list of certain capitalised terms used in this Preliminary Placement Document is intended for the convenience of the reader / prospective investor only and is not exhaustive.

Unless otherwise specified, the capitalised terms used in this Preliminary Placement Document shall have the meaning as defined hereunder. Further, any references to any statute, rules, guidelines, regulations, agreement, document or policies shall include amendments made thereto, from time to time.

The words and expressions used in this Preliminary Placement Document but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act, or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in the section "*Industry Overview*", "*Statement of Possible Tax Benefits*", "*Legal Proceedings*" and "*Financial Statements*" on pages 122, 218, 227 and 234, respectively, shall have the meaning given to such terms in such sections.

General Terms

Term	Description
Our Company / the Company / the Issuer	Saregama India Limited, a company incorporated in India under the Companies Act, 1913, having its registered office at 33, Jessore Road, Dum Dum, Kolkata – 700 028, West Bengal, India
the Group / us / we / our	Unless the context otherwise indicates or implies, refers to our Company and our Subsidiaries

Company Related Terms

Term	Description
Articles / Articles of Association / AoA	The articles of association of our Company as amended from time to time
Audit Committee	The audit committee of our Board of Directors
Audited Consolidated Financial Statements	Collectively, the audited consolidated financial statements of our Company and its subsidiaries as of and for the years ended March 31, 2021, 2020 and 2019 which have been prepared in accordance with the Ind AS, as specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Companies Act, 2013 to the extent applicable, each comprising of the consolidated balance sheet, consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and the consolidated cash flow statement for the years then ended, and notes to the respective consolidated financial statements.
Auditors / Statutory Auditors / Independent Auditors	The current statutory auditors of our Company, namely, B S R & Co. LLP, Chartered Accountants
Board of Directors / Board	The Board of Directors of our Company
Chairman	The chairman of the Board of Directors of our Company, being Sanjiv Goenka
Chief Financial Officer	The chief financial officer of our Company, being Vineet Garg
Company Secretary and Compliance Officer	The company secretary and compliance officer of our Company, being Kamana Goenka
Corporate Social Responsibility Committee	The corporate social responsibility committee constituted by our Board of Directors
CRISIL Report	Report titled "*Assessment of music distribution industry in India*" dated October, 2021 issued by CRISIL
Director(s)	Director(s) on the Board of our Company, unless otherwise specified
Equity Shares	The equity shares of our Company of face value ₹ 10 each
Independent Director(s)	The non-executive and independent Directors of our Company appointed as per the Companies Act, 2013 and the SEBI Listing Regulations, as disclosed in "*Board of Directors and Senior Management Personnel*" on page 167
Memorandum/ Memorandum of Association / MoA	The memorandum of association of our Company, as amended from time to time
Managing Director	The managing director of our Company, being Vikram Mehra

Term	Description
Nomination and Remuneration Committee	The nomination and remuneration committee constituted by our Board of Directors
Non-Executive Non-Independent Director	Non-executive non-independent directors of our Company. For details, see "*Board of Directors and Senior Management Personnel*" on page 167
Promoter Group	The promoter group of our Company as determined in terms of Regulation 2(1) (pp) of the SEBI ICDR Regulations
Promoter	The promoter of our Company, namely, Composure Services Private Limited
Registered and Corporate Office	33, Jessore Road, Dum Dum, Kolkata – 700 028, West Bengal, India
Risk Management Committee	The risk management committee constituted by our Board of Directors
RoC / Registrar of Companies	Registrar of Companies, West Bengal at Kolkata
Saregama ESOS 2013	Saregama Employees Stock Option Scheme – 2013
Senior Management Personnel	Senior management personnel of our Company, as disclosed in "*Board of Directors and Senior Management Personnel*" on page 167
Shareholder(s)	The holders of the Equity Shares of our Company, from time to time
Subsidiaries	The subsidiaries of our Company, namely: (i) Kolkata Metro Networks Limited; (ii) Open Media Network Private Limited; (iii) RPG Global Music Limited; (iv) Saregama FZE; and (v) Saregama Limited (formerly known as Saregama Plc.) and the step-down subsidiary of our Company, namely Saregama Inc.
Stakeholders' Relationship Committee	The stakeholders' relationship committee constituted by our Board of Directors
Unaudited Condensed Consolidated Interim Financial Statements	Unaudited condensed consolidated interim financial statements of our Company and its subsidiaries as at and for the six months period ended September 30, 2021 with the principles laid down in Indian Accounting Standards (Ind AS) 34, Interim Financial Reporting, prescribed under Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India comprising the condensed consolidated interim balance sheet as at September 30, 2021, condensed consolidated interim statement of profit and loss, condensed consolidated interim statement of changes in equity and condensed consolidated interim statement of cash flows for the six months period ended September 30, 2021, and notes to the unaudited condensed consolidated interim financial statements including a summary of significant accounting policies and other explanatory information

Issue Related Terms

Term	Description
Allocated/ Allocation	The allocation of Equity Shares following the determination of the Issue Price to investors on the basis of Application Forms submitted by them, in consultation with the BRLM and in compliance with Chapter VI of the SEBI ICDR Regulations
Allotment/ Allotted	The issue and allotment of Equity Shares pursuant to this Issue
Allottee(s)	Bidders who are Allotted Equity Shares of our Company pursuant to this Issue
Application Form	The form (including any revisions thereof) pursuant to which a Bidder indicates its interest to subscribe for the Equity Shares of our Company pursuant to the Issue
Bid(s)	An indication of interest by a QIB, including all revisions and modifications of interest, as provided in the Application Form, to subscribe for Equity Shares to be issued pursuant to this Issue
Bidder(s)	An Eligible QIB who has a Bid pursuant to the terms of this Preliminary Placement Document and the Application Form
Bidding Period/ Issue Period	The period between the Issue Opening Date and Issue Closing Date, inclusive of both dates, during which Bidders can submit their Bids including any revision and/or modifications thereof
Book Running Lead Manager/ BRLM	JM Financial Limited
CAN/ Confirmation of Allocation Note	Note or advice or intimation to Bidders confirming the Allocation of Equity Shares to such Eligible QIBs after determination of the Issue Price
Closing Date	The date on which the Allotment of the Equity Shares offered pursuant to this Issue shall be made, i.e., on or about [•], 2021
Cut-off Price	The Issue Price of the Equity Shares to be issued pursuant to the Issue which shall be finalised by our Company in consultation with the BRLM
Designated Date	The date of credit of Equity Shares pursuant to the Issue to the Allottee's demat account, as applicable to the relevant Allottee
Eligible FPIs	FPIs that are eligible to participate in this Issue in terms of applicable law, other than individuals, corporate bodies and family offices

Term	Description
Eligible QIBs	QIBs that are eligible to participate in the Issue and which are not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations and are not restricted from participating in the Issue under applicable law. In addition, Eligible QIBs are QIBs who are outside the United States, to whom Equity Shares are being offered in "offshore transactions", as defined in, and in reliance on Regulation S and the applicable laws of the jurisdiction where those offers, and sales are made.
Escrow Account	The account titled '*Saregama India Limited-QIP-Escrow Account*' to be opened with the Escrow Agent, subject to the terms of the Escrow Agreement, into which the application monies payable by Bidders in connection with subscription to Equity Shares pursuant to the Issue shall be deposited
Escrow Bank/ Escrow Agent	ICICI Bank Limited
Escrow Agreement	The agreement dated November 2, 2021 entered into amongst our Company, the Escrow Agent and the BRLM
Floor Price	The floor price ₹ 4,264.68 per Equity Share, which has been calculated in accordance with Chapter VI of the SEBI ICDR Regulations. Our Company may offer a discount of not more than 5% on the Floor Price in accordance with the approval of the Shareholders accorded through a special resolution passed through VC / OAVM facility on October 19, 2021 and in terms of Regulation 176(1) of the SEBI ICDR Regulations.
Issue	The issue and Allotment of [•] Equity Shares each at a price of ₹ [•] per Equity Share, including a premium of ₹ [•] per Equity Share, aggregating ₹ [•] lakhs pursuant to Chapter VI of the SEBI ICDR Regulations and other applicable provisions of the Companies Act, 2013 and the rules made thereunder
Issue Closing Date	[●], the last date up to which the Application Forms shall be accepted by our Company (or the BRLM, on behalf of our Company)
Issue Opening Date	November 2, 2021, the date on which the acceptance of the Application Forms shall have commenced by our Company (or the BRLM, on behalf of our Company)
Issue Price	A price per Equity Share of ₹ [•]
Issue Size	The aggregate size of the Issue, aggregating up to ₹ [•] lakhs
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended
Mutual Fund Portion	10% of the Equity Shares proposed to be Allotted in the Issue, which is available for Allocation to Mutual Funds
Pay-In Date	Last date specified in the Application Form for the payment of application monies by Bidders in the Issue
Placement Agreement	The agreement dated November 2, 2021 between our Company and the BRLM
Placement Document	The placement document to be issued in accordance with Chapter VI of the SEBI ICDR Regulations and other applicable provisions of the Companies Act, 2013 and the rules made thereunder
Preliminary Placement Document	This preliminary placement document dated November 2, 2021 issued in accordance with Chapter VI of the SEBI ICDR Regulations and other applicable provisions of the Companies Act, 2013 and the rules made thereunder
QIBs/ Qualified Institutional Buyers	A qualified institutional buyer as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
QIP	Qualified institutions placement, being a private placement to Eligible QIBs under Chapter VI of the SEBI ICDR Regulations and applicable sections of the Companies Act, 2013, read with applicable provisions of the Companies (Prospectus and Allotment of Securities) Rules, 2014
Relevant Date	November 2, 2021 which is the date of the meeting wherein the Board of Directors, or a duly authorised committee, decides to open the Issue
Stock Exchanges	Together, NSE and BSE
Successful Bidders	The Bidders who have Bid at or above the Issue Price, duly paid the Application Amount along with the Application Form and who will be Allocated Issue Shares
Working Day	Any day other than second and fourth Saturday of the relevant month or a Sunday or a public holiday or a day on which scheduled commercial banks are authorised or obligated by law to remain closed in Mumbai, India

Conventional and General Terms/Abbreviations

Term	Description
AGM	Annual general meeting
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CIN	Corporate identification number
Civil Code	The Indian Code of Civil Procedure, 1908
Companies Act/ Companies Act, 2013	The Companies Act, 2013 and the rules made thereunder
Companies Act, 1956	The erstwhile Companies Act, 1956 and the rules made thereunder
Competition Act	The Competition Act, 2002
Consolidated FDI Policy	The consolidated FDI Policy, issued by the Department of Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time
CRISIL	CRISIL Limited
CSR	Corporate Social Responsibility
Depositories Act	The Depositories Act, 1996
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations
DP/ Depository Participant	A depository participant as defined under the Depositories Act
DIN	Director Identification Number
EGM	Extraordinary general meeting
ESG	Environment, social and governance
FBIL	Financial Benchmark India Private Limited
FDI	Foreign Direct Investment
FEMA	The Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial Year / Fiscal Year/ Fiscal/ FY	A period of 12 months ending March 31, unless otherwise stated
FPI/ Foreign Portfolio Investor(s)	Foreign portfolio investors as defined under the SEBI FPI Regulations and includes a person who has been registered under the SEBI FPI Regulations.
FVCI	Foreign venture capital investors as defined under and registered with SEBI pursuant to the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
GAAP	Generally accepted accounting principles
GBP	Great Britain Pound Sterling
GDP	Gross domestic product
GoI/ Government	Government of India
GST	Goods and Services Tax
HUF	Hindu Undivided Family
IAS Rules	Companies (Indian Accounting Standards) Rules, 2015, as amended
ICAI	The Institute of Chartered Accountants of India
Ind AS	Indian accounting standards as notified by the MCA pursuant to Section 133 of the Companies Act read with the IAS Rules
Indian GAAP	Generally accepted accounting principles in India
Income Tax Act/IT Act	The Income tax Act, 1961
JM	JM Financial Limited
Ltd.	Limited
MCA	Ministry of Corporate Affairs
Non-Resident Indian(s)/ NRI	Non-Resident Indian, as defined under Foreign Exchange Management (Deposit) Regulations, 2016
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
p.a.	Per annum
PAN	Permanent account number
PAT	Profit after tax / profit for the respective period / year
PBT	Profit before tax

Term	Description
RBI	The Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934
Regulation S	Regulation S under the U.S. Securities Act
Revenue	Revenue from operations is net of Goods and Service Tax as applicable.
Rs/Rupees/Indian Rupees	The legal currency of India
RoC	Registrar of Companies, West Bengal
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
U.S. GAAP	Generally accepted accounting principles in the United States of America
U.S.$ / USD / U.S. dollar	United States Dollar, the legal currency of the United States of America
U.S. Securities Act	United States Securities Act of 1933, as amended
USA/ U.S./ United States	The United States of America
Video Conferencing / Other Audio-Visual Means facility or VC / OAVM facility	Audio- visual electronic communication facility employed which enables all the persons participating in a meeting to communicate concurrently with each other without an intermediary and to participate effectively in the meeting
VCF	Venture capital fund as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be

Technical, Industry and Other Terms

Term	Description
Adjusted Debt/Equity Ratio	Adjusted debt/equity ratio is Debt divided by Net Worth.
Adjusted Interest	Adjusted interest is finance costs less interest expense on financial liabilities measured at amortised cost on unwinding of discount on financial liabilities provisions and on lease liabilities
Adjusted Interest Coverage Ratio	Adjusted Interest coverage ratio is Adjusted Profit for the period/year divided by Adjusted Interest for the period/year
Adjusted Profit	Adjusted profit is profit for the period/year plus depreciation and amortisation expense for the period/year plus Adjusted Interest for the period/year
BPSI	Board of the Publishing Society of India
Capital Employed	Capital employed is Net Worth plus borrowing
Debt	Debt represents total borrowings of the Company
Earnings Before Interest and Tax expense / EBIT	Earnings before interest and tax expense is profit for the period/year before tax expense and finance costs
IMI	Indian Music Industry
IPRS	The Indian Performing Right Society Limited
Net Worth	Net worth is the sum of (i) issued, subscribed and paid-up equity share capital at the end of the year, (ii) general reserve as at the end of the year, (iii) securities premium reserve as at the end of the year, and (iv) retained earnings as at the end of the year
OIBCID	Operating income before content charges, interest and depreciation
OIBCID Margin	OIBCID margin is a percentage margin derived by dividing OIBCID by revenue from operations
OTT media	Over-the-top media
PPL	Phonographic Performance Limited
ROCE / Return on Capital Employed	Return on Capital Employed is Earnings Before Interest and Tax divided by Capital Employed

Term	Description
Return on Net Worth	Return on net worth is profit for the period/year divided by Net Worth.
SAP	Systems Applications and Products in Data Processing
TRIPS	Trade Related Aspects of Intellectual Property Rights
TVoD	Transaction Video on Demand

SUMMARY OF BUSINESS

Overview

We are a leading Indian entertainment company with intellectual property rights in music, film, television and print media. (Source: CRISIL Report, October 2021). Our Company is the oldest music company in India. (Source: CRISIL Report, October 2021). We have one of the most extensive music libraries with a portfolio of approximately 130,000 songs. (Source: CRISIL Report, October 2021). We also have a film library that includes IP rights to 62 films out of which 16 films were released in last four years under the brand name Yoodlee Films. In television, we produce and own television serials in South Indian languages, and we have created over 6,000 hours of content for Sun TV over the last 20 years from 2001 to 2021. Our primary sources of revenue from license fees are from music streaming applications, social media platforms, video streaming platforms, broadcasting platforms, brands and societies. In addition, we retail music directly to consumers through our Carvaan audio player with pre-loaded music, of which we have sold over 25.25 lakh units since its launch in June 2017 to September 30, 2021.

Our music library includes the intellectual property right to the sound recordings (the masters) and publishing rights (musical compositions and lyrics). Our music library covers a variety of Indian languages including Hindi (over 38,900 songs), Bengali (over 26,600 songs), Tamil (over 11,800 songs), Marathi (over 6,300 songs), Telugu (over 8,100 songs), Malayalam (over 7,000 songs), Punjabi (over 8,400 songs) and Kannada (over 3,100 songs) as of September 30, 2021. Our music IP also includes over 18,300 devotional songs, 8,400 classical compositions, 1,200 ghazals and 4,700 folk songs as of September 30, 2021. Our library is entirely digitalized and each song has been enriched with metadata for search and analytical purposes.

Our consolidated revenue from licence fees has grown at a 20.01% CAGR over the past four fiscal years from Fiscal 2017 to Fiscal 2021. Our primary sources of revenue from license fees are from music streaming applications, social media platforms, video streaming platforms, broadcasting platforms, brands and societies.

- *Music Streaming Applications.* We license our music for online streaming to various Indian and international music streaming applications and platforms ("over-the-top media" or "OTT media"), We have licensing agreements with Spotify, Amazon Prime Music, YouTube Music, Apple Music, Pandora, Deezer, Resso, Wynk Music, Hungama Music and JioSaavn, amongst others.

- *Social Media Platforms.* We have licensing agreements with social media platforms include video sharing applications. On YouTube, as of September 30, 2021, we had 26 channels catering to different Indian languages and age groups. As of September 30, 2021, we had a cumulative subscriber base of 54.6 million subscribers on YouTube. Our monthly views on our YouTube channels averaged 3,004.12 million during the six months period ended September 30, 2021 and 8,018.89 million during Fiscal 2021. We also have licensing agreements with various other social media platforms and short-format video sharing applications including Facebook, Instagram, Josh, Moj and Triller, amongst others.

- *Video Streaming Platforms.* We have entered into license agreements with program producers on video steaming platforms, like Netflix, Disney+ Hotstar, Amazon Prime Video, Sony LIV, ALT Balaji and MX player amongst others. These platforms use our music in their original movies and digital series.

- *Broadcast Platforms.* Broadcast television channels in India use music in their television serials, reality shows and promotions. We have entered into license agreements with television channels for use of our music in their programs and these have grown from 236 in Fiscal 2017 to 358 in Fiscal 2021.

- *Brand License*. We license our music to brands for use in their advertisements shown, inter alia, on television, social media and radio.

- *Societies.* We also license our music library to a collective body, PPL, for public performance licensing of our music. We are also a member of IPRS, which issues music publishing licenses to users. We receive a share of the revenue generated from the issue of these licenses.

In addition to music licensing, we retail music directly to consumers through the sale of our Carvaan audio player product. Launched in 2017, our Carvaan audio player has inbuilt speakers and 5,000 preloaded songs, allowing customers to listen to music anytime without any advertising breaks. This product also provides bluetooth speaker and FM radio functionality. We have applied for patent protection for our Carvaan audio player in a number of countries. Our Carvaan audio player is being extended to a platform, which will support streaming of music and podcasts through a Wi-Fi based return path.

Yoodlee Films is our movie and digital web-series production arm that is focused on creating content targeted at younger audiences across the world who primarily consume content on personal devices. We monetize these movies primarily by licensing them for limited period to third-party digital platforms and Indian television channels. We also monetize the music used in this content through our music licensing arrangements. In addition, in some cases we license our movies to TVoD platforms and airlines. We have released 16 films in the last four years, of which 10 have been shown on Netflix, of which three Netflix originals, four have been shown on Disney+ Hotstar as Hotstar originals and two have been shown on Zee5. Yoodlee Films is currently concentrating production efforts on regional cinema with films being made in Malayalam, Marathi, Tamil, and Punjabi with leading talents in these languages to capitalize on the increased demand for regional content.

We also produce television series content for South Indian broadcast channels. We monetize these serials by selling of commercial times (advertising inventory) aired during our program on the particular television channel. We have created and have IP rights to over 6,000 hours of content for Sun TV over the last 20 years from 2001 to 2021. For example, in the month of September 2021, we provided around 37.5 hours of new content across 3 serials on Sun TV of which IP rights are owned by our Company. In addition to television, we also monetize our IP in these serials on other platforms like YouTube and Facebook.

Key financial information

Set forth below is certain of our key financial information on a consolidated basis for the periods indicated.

(*in ₹ lakhs except percentages and ratios*)

Particulars	As of, or for the six months period ended		As of, or for the year ended,		
	September 30, 2021	September 30, 2020	March 31, 2021	March 31, 2020	March 31, 2019
Revenue from operations	25,004.71	18,459.67	44,196.26	52,147.49	54,471.98
Profit for the period/year	6,113.41	4,468.57	11,346.46	4,349.45	5,432.66
Profit for the period/year as % of revenue from operations	24.45%	24.21%	25.67%	8.34%	9.97%
Net cash generated from/(used in) operating activities	2,776.92	9,396.10	18,971.27	7,951.73	-3,572.82
Return on Net Worth	15.16%	14.60%	33.30%	16.43%	23.88%
Return on Capital Employed	20.88%	20.26%	45.59%	24.48%	31.32%
Adjusted Debt / Equity ratio	0	0	0	0.03	0.28
OIBCID (1)	9,564.36	6,038.96	14,505.95	7,622.77	7,863.20
OIBCID Margin (2)	38.25%	32.71%	32.82%	14.62%	14.44%

Notes:

(1) OIBCID is operating income before content charges, interest and depreciation. Content charge consists of (a) amount amortised against the minimum guarantee advance paid in case of royalty based deals, (b) amount amortised against the one-time fee paid in case of outright purchase based deals, (c) marketing of new content. Content charges does not include any royalty paid post recoupment of the minimum guarantee.

(2) OIBCID Margin is a percentage margin derived by dividing OIBCID by revenue from operations.

For information about Non-GAAP financial measures as set forth in the table above, see *"Management's Discussion and Analysis of Financial Condition and Results of Operations -Non-GAAP Financial Measures"* on page 102.

Awards and Accreditations:

We have been honored with awards and recognitions in the past three years as an acknowledgement of our business strengths in the music, film and television industry and the value of our brand including:

Year	Particulars
2020	Film KD - 67th National Awards for Best Child Artist
2019	Film Hamid - 66th National Awards for Best Film in Urdu and Best Child Artist
2018	Film Nobleman - best child actor award at the New York Indian Film Festival
2018	Carvaan - Brand Equity Marketing Awards 2018 for Innovation of the Year Award
2018	Carvaan - Marquees 2018 – reimagining for the better
2017	Carvaan - IPRCCA 2017 - Best use of PR by a Brand – Silver

Major Milestones

As India's oldest music company, our milestones include:

- 1902 - First ever recorded Indian song of Gauhar Jaan included in our library;
- 1946 - Company incorporated as The Gramophone Company (India) Private Limited;
- 1986 – RPG Group acquired the Company;
- 2000 – Products started retailing under "Saregama" brand;
- 2001 – Television serial production started;
- 2016 – Started investing new film music again;
- 2017 – Carvaan audio player launched;
- 2017 – Yoodlee film production house launched; and
- 2020 – Started investing in non-film music.

Our Competitive Strengths

We believe that we possess a number of competitive strengths, which enable us to successfully execute our business strategies, which are set forth below.

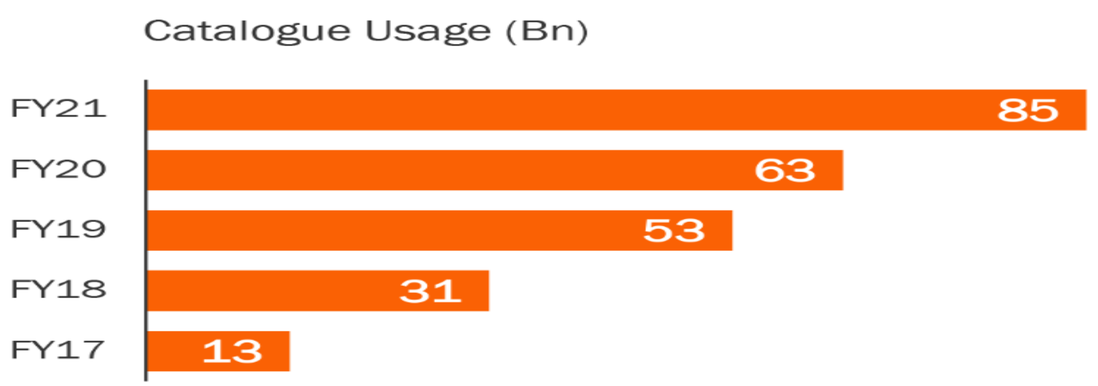
Among the few entertainment companies in India with IP offerings across music streaming platforms, broadcast platforms, video streaming platforms, social media platforms and retail platforms

Saregama is among the few entertainment companies providing IP offerings across music streaming platforms, broadcast platforms, video streaming platforms, social media platforms and retail platforms. (Source: CRISIL Report, October 2021). Our Company is the oldest music company in India. (Source: CRISIL Report, October 2021). In addition, we produce films and digital web-series through Yoodlee Films, our movie production house, and produce television series in South Indian language for Sun TV. We also publish our own weekly current affairs magazine, Open Magazine, a weekly current affairs and features magazine. We deliver our intellectual property in digital form through audio and video streaming and download platforms as well as in physical form including Carvaan and printed magazines. We monetize our IP content through licensing revenue from music streaming applications, social media platforms, video streaming platforms, broadcasting platforms, brands and societies as well as through retailing our Carvaan audio player directly to consumers. By capturing the major segments of the value chain in India's entertainment industry, we are able to maximize our revenue streams, develop deep relationships with OTTs, film producers, advertisers, attract talent across the music, film and television industries and develop significant brand recognition.

Large intellectual property portfolio of 130,000+ songs, 62 films and 6,000 hours of television content

We have one of the most extensive music libraries with a portfolio of approximately 130,000 songs. (Source: CRISIL Report, October 2021). Our music library includes the IP right to the sound recordings (the masters) and publishing rights (musical compositions and lyrics). Our library is entirely digitalized and each song has been enriched with metadata for search and analytical purposes.

As of September 30, 2021, our library was spread across a number of genres including over 18,300 devotional songs, 8,400 classical compositions, 1,200 ghazals and 4,700 folk songs. Our music library also covers a variety of Indian languages including Hindi, Bengali, Tamil, Marathi, Telugu, Malayalam, Punjabi and Kannada. Customer interest in our library has been increasing over the past five fiscal years as reflected in the graph below.



We acquired our IP rights by purchasing them directly from the artist, songwriter or composer, from film producers, from other music companies (often called labels or record labels) and from other IP rights holders. We have been acquiring our IP rights in Indian songs and music since the beginning of the 20th century, but approximately 30% of our library by count and revenue belong to the 21st century. The following table shows the annual growth of OTT customer streaming of our songs classified by the decade of release.

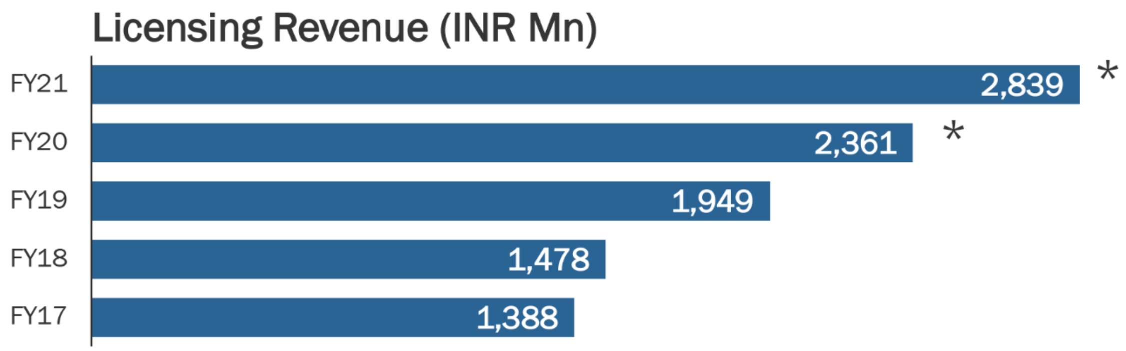
	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020*
Up to 1960	88%	66%	27%	37%
1961-1970	105%	65%	25%	46%
1971-1980	96%	71%	34%	49%
1981-1990	111%	80%	30%	41%
1991-2000	97%	111%	48%	53%
2001-2010	111%	112%	37%	50%
2011-2020	160%	145%	133%	40%

***** ***Fiscal 2021 not yet available as logs are still being processed***

We have a film library that includes IP rights to 62 films out of which 16 films were released in last four years under the brand name Yoodlee Films. In television, we produce and own television serials in South Indian languages, and we have created over 6,000 hours of content for Sun TV over the last 20 years from 2001 to 2021. In the month of September 2021, we provided around 37.5 hours of new content across three serials on Sun TV, of which the IP rights are owned by our Company. Our popular TV serials include Roja, Chandralekha and Anbe Vaa. Roja was the leading serial on Sun TV during 2020 and the first half of 2021.

Strong licensing relationships with streaming applications and platforms for music, films and television serials

We earn revenue from licensing our IP rights in music (sound recordings and publishing), films and television serials. Our primary sources of music licensing revenue are from music streaming applications, social media platforms, video streaming platforms, broadcasting platforms, brands and societies. Our consolidated revenue from licence fees has grown at a 20.01% CAGR over the past four fiscal years from Fiscal 2017 to Fiscal 2021. The graph below shows the growth in our licensing revenue (which includes revenue from licence fees and other operating revenue) over the past five fiscal years.



* One time income of ₹ 155 million in Fiscal 2021 and ₹21 million in Fiscal 2020 are excluded. Licensing revenue for Fiscal 2021 and Fiscal 2020 has been adjusted to the extent of one-time revenue earned by Company. This one-time revenue primarily includes export incentives on account of Service Exports from India Scheme (SEIS).

We license our music for online streaming to various Indian and international OTT media including Spotify, Amazon Prime Music, YouTube Music, Apple Music, Pandora, Deezer, Resso, Gaana, WynkMusic, Hungama Music, NetEase and Jio Saavn, amongst others. According to CRISIL Research, the music streaming segment has grown at a CAGR of 48% from 2016 to 2021. (Source: CRISIL Report, October 2021). As India's oldest music company with one of the most extensive music libraries, we have developed relationships with some of the major OTT media.

Most of our music licensing agreements with OTT media include both pay per stream model, where the licensee pays a fixed amount every time a song is streamed (or downloaded), plus a share of advertising revenues for the advertising based free service and also s*ubscription model* where licensee shares revenue from its subscriptions on a formula. All of this is protected by a minimum guarantee committed to us.

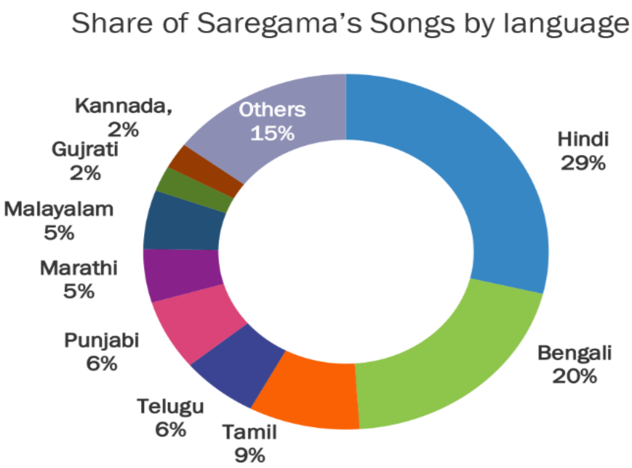
The entry of video steaming platforms, like Netflix, Amazon Prime Video, and Disney+ Hotstar, has significantly boosted the consumption of video on demand in India, according to CRISIL Research. (Source: CRISIL Report, October 2021). We have entered into license agreements with program producers on these platforms for use of our music in their original movies and digital series.

Further, Yoodlee Films is our movie and digital web-series production arm that is focused on creating content targeted at younger audiences across the world who primarily consume content on personal devices. We have released 16 films in the last four years, of which 10 reside on Netflix, including 3 Netflix originals, 4 Hotstar originals on Disney +Hotstar and two on Zee5.

Increasing IP library with a growing presence in varied Indian languages

According to Region Research, demand by OTT and television broadcast platforms for regional content, particularly in Indian regional languages, is expected to grow substantially during the next few years as more urban and rural customers start consuming content through internet. (Source: CRISIL Report, October 2021). Our Company expects to benefit from this trend with our large music library across various Indian languages and our growing regional film and television series intellectual property libraries.

Our music library covers IP rights to songs in a variety of Indian languages including Hindi (over 38,900 songs), Bengali (over 26,600 songs), Tamil (over 11,800 songs), Marathi (over 6,300 songs), Telugu (over 8,100 songs), Malayalam (over 7,000 songs), Punjabi (over 8,400 songs) and Kannada (over 3,100 songs). The following chart shows the composition of our music library by Indian language as of September 30, 2021.



Our production house, Yoodlee Films, has produced four films in regional languages including Tamil, Malayalam, Marathi and Urdu. We are currently concentrating our efforts on regional cinema with films being made in Malayalam, Marathi, Tamil, and Punjabi with leading talents of the region to capitalize on the increased demand for regional content from third party streaming platforms. In this regard, we currently have five regional films in four different languages in production.

In television, we produce television series content for South Indian broadcast channels. We produce content in South Indian languages including Tamil, Malayalam, Kannada and Telugu. We have created over 6,000 hours of content for Sun TV over the last 20 years from 2001 to 2021. In the month of September 2021, we provided around 37.5 hours of new content across three serials on Sun TV, of which the IP rights are owned by our Company. Our popular TV serials include Roja, Chandralekha and Anbe Vaa. Roja was the leading serial on Sun TV during 2020 and the first half of 2021.

Capabilities in data and analytics for content acquisition and IP protection

Data has proven to be key in maximizing success in the entertainment industry. We have made on-going strategic investments into data and analytics over the past several years. Through our IT systems and operations, we collect large amounts of data regarding music, artists and songs as well as consumption data (views and streams) and other information, which we use to assess the potential success of a song, film, artist or a library of songs, films or artists and therefore help determine whether we want to acquire rights to, or produce, the respective content. We also use our data and analytics to understand consumer trends, seasonal trends, marketing trends and a variety of other information that we need to operate our business. Our data collection and analysis is performed using a number of proprietary IT tools, software and algorithms in our acquisition and analysis of data.

Further, to assist content creators, we also have built a browser-based search functionality, using the song metadata, to help find the best song fit for their advertisement or program. This functionality drives use of our music catalogue and helps market its depth.

We also employ technology including sophisticated algorithms and software tools to actively monitor and protect against activities that might infringe, dilute or otherwise harm our copyright, trademarks and patents. Our anti-infringement team works with our content experts to constantly monitor usage of our music by third party applications, sites and videos across social media platforms and applications to catch any unauthorized usage.

Strong financial position with track record of revenue growth, margin expansion and cash flow generation

In the six months period ended September 30, 2021 and Fiscal 2021, Fiscal 2020 and Fiscal 2019, our total revenue from operations was ₹25,004.71 lakhs, ₹44,196.26 lakhs, ₹52,147.49 lakhs and ₹54,471.98 lakhs, respectively; and our profit for the period/year was ₹6,113.41 lakhs, ₹11,346.46 lakhs, ₹4,349.45 lakhs and ₹5,432.66 lakhs, respectively.

Further, as of September 30, 2021, March 31, 2021, March 31, 2020, March 31, 2019, our Return on Net Worth was 15.16%, 33.30%, 16.43% and 23.88%, respectively, and our ROCE was 20.88%, 45.59%, 24.48% and 31.32%, respectively.

In the six months period ended September 30, 2021 and Fiscal 2021, Fiscal 2020 and Fiscal 2019, our OIBCID was ₹9,564.36 lakhs, ₹14,505.95 lakhs, ₹7,622.77 lakhs and ₹7,863.20 lakhs, respectively; our OIBCID margin was 38.25%, 32.82%, 14.62% and 14.44%, respectively.

The COVID-19 pandemic impacted revenue growth levels in Fiscal 2021 with the national lockdowns and work from home orders severely impacting the Indian economy and retail industry, which impacted sales of our Carvaan audio player. In line with industry trends, however, our licensing revenue increased as streaming revenue from OTTs increased during the COVID-19 pandemic period. Our profits before tax increased by 151.72% to ₹15,190.64 lakhs in Fiscal 2021 from ₹6,034.77 lakhs in Fiscal 2020. This is due to increase in license revenue and reduction in marketing and other costs.

Between Fiscal 2019 and Fiscal 2021, we further reduced our borrowing levels to nil by March 31, 2021, and we remained debt free as of September 30, 2021. As of September 30, 2021, March 31, 2021, 2020 and 2019, our Net Worth was ₹40,322.32 lakhs, ₹34,075.36 lakhs, ₹26,474.45 lakhs and ₹22,752.61 lakhs, respectively. Further, in the six months period ended September 30, 2021 and Fiscal 2021, Fiscal 2020 and Fiscal 2019, our net cash generated from/(used in) operating activities were ₹2,776.92 lakhs, ₹18,971.27 lakhs, ₹7,951.73 lakhs and (₹3,572.82 lakhs), respectively.

Experienced and creative leadership through management team and Promoter Group

We believe that the experience, creativity and leadership of our management has enabled our Company to be recognized as one of the leading IP driven entertainment companies in India. Our Managing Director, Vikram Mehra, has been associated with our Company since October 2014. He is currently on the board of directors of various companies including Indecent Foods Private Limited, Editorji Technologies Private Limited and The Indian Performing Right Society Limited. Our senior management team has substantial experience in the entertainment industry along with capabilities to enable us to understand and anticipate entertainment market trends, manage our business operations and growth, leverage our intellectual property and respond to changes in consumer preferences in a rapidly changing environment. We will continue to leverage on the experience of our management team and their understanding of the Indian entertainment industry in order to take advantage of current and future market opportunities. For more information, see "*Board of Directors and Senior Management Personnel*" on page 167.

Further, we are a part of the RP-Sanjiv Goenka Group. The RP-Sanjiv Goenka Group is a large conglomerate having interests in, amongst others, power and natural resources, carbon black, retail and FMCG, media and entertainment, infrastructure, information technology, education and sports. The RP-Sanjiv Goenka Group includes entities such as Phillips Carbon Black Limited, Firstsource Solutions Limited, CESC Limited, Spencer`s Retail Limited, RPSG Ventures Limited, Harrisons Malayalam Limited and Woodlands Multispeciality Hospital Limited, amongst others. We believe that our association with this group has enabled us to absorb its corporate values and principles and adhere to good corporate governance practices. We also believe that our association with the RP-Sanjiv Goenka Group aids us in procuring new businesses and exploring various other opportunities.

Our Strategy

The key elements of our business strategy are as follows:

Expand IP portfolio across music, films, web-series and television

We look to expand our IP portfolio with a focus on new film music acquisitions across Hindi, Tamil and Telugu films and on acquisitions of non-film songs across Punjabi, Bhojpuri, Gujarati, Haryanvi, Bengali and Hindi languages. Our Company recently acquired IP rights for the music of the next set of films of Indian film directors, Sanjay Leela Bhansali and Shankar. In non-film music, we are focused on artists like Badshah, B Praak, Kaka, Rakesh Barot amongst others. For example, we launched "Paani Paani" on June 9, 2021 featuring Badshah, Aastha Gill and Jacqueline Fernandez. This release had over 579 million YouTube views and 1.3 million Instagram reels as of October 13, 2021, 1.6 billion YouTube UGC views and 159 million OTT streams as of October 10, 2021.

We are also investing in devotional music. Further, we look to invest in reinterpreting and re-recording popular songs in our library with new age artists along with videos targeting the younger age group. For example, we have recently re-recorded the song "Do ghoont" which we recreated and picturised on Nia Sharma.

Further, we are looking to discover and develop new recording artists and songwriters and develop and retain existing recording artists and songwriters to drive success in the next generation of talent in the Indian music industry. In this regard, we plan to develop an artist management business either independently or in a joint venture to deepen our relationships with singers, composers and influencers and to steer them towards realizing their full artistic potential and achieving commercial success. We aim to monetise this artist management business through content creation, events and shows and brand promotional activities.

In addition, through Yoodlee Films we are focused on creating thematic films and web-series targeted at younger audiences, particularly in Hindi, Tamil and Telugu. We also will continue producing television series in South Indian languages for Sun TV.

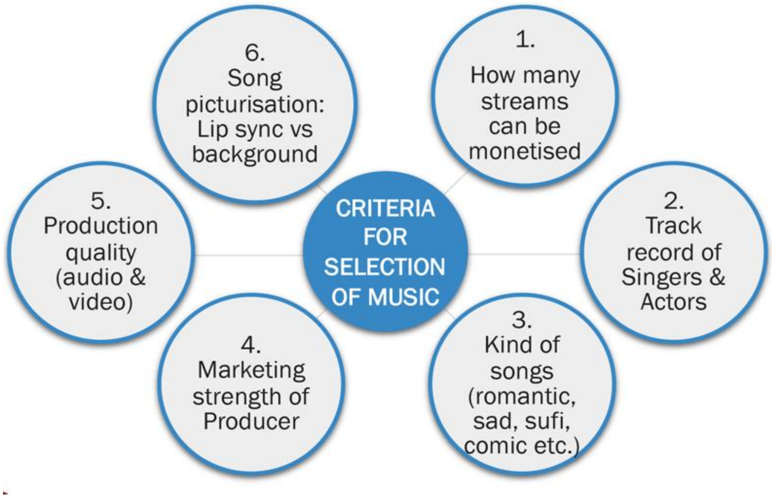
Our targets for IP acquisition and creation are (i) to achieve market leadership in the music segment, (ii) producing 60 new films and web series episodes and (iii) producing 1200-1500 hours of television serials content.

Strategically acquire smaller music labels and libraries

We are also looking to expand our music intellectual property portfolio by acquisition of smaller Indian music label and libraries. We believe that small music labels are struggling to monetize their IP as they find it difficult to negotiate valuable licensing arrangements with the OTTs, social media platforms and other large players. We will analyze these opportunities using the same data driven and intuitive processes we are using to enhance our music library organically. Our target will be digitized intellectual property with an emphasis on music in Punjabi, Bhojpuri, Gujarati and Hindi languages. In particular, we will focus on identifying acquisition targets that will benefit from our management expertise, creative talent and our proven ability to monetize intellectual property rights through licensing from music streaming applications, social media platforms, video streaming platforms, broadcasting platforms and societies. We will also consider entering joint ventures or alliances to expand our music IP portfolio or assist us in monetizing our existing IP library.

Investing in data acquisition and analytics to improve content selection

Our content selection process is both data driven and intuitive in nature with high focus on monetisation and return on investment. We aggregate data drawn from publicly available sources like YouTube and OTT media services as well as our own internally generated data, and we analyse the data using our proprietary software and algorithms. We take into consideration the last 3 years' track record of the singer, music composer and lyricist, popularity of the music genre and (in film music) the popularity of the movie cast and success rate of the production team. This data driven vetting process is combined with a music listening session by the content and marketing teams. The diagram below illustrates our content vetting considerations.



We will continue to invest in data acquisition and analytics to improve our content acquisition decision making. We have an experienced data analytics team that works along with content experts on IP selection.

Migrate our Caravan audio player retail business from product to integrated online platform

We retail music directly to consumers through the sale of our Carvaan, audio player. Launched in May 2017, our Carvaan audio player has inbuilt speakers and 5,000 preloaded songs, allowing customers to listen to their favorite music anytime without any advertisement breaks. As of September 30, 2021, we have sold over 25.25 lakh Carvaan units since its launch in May 2017 to September 30, 2021. We are now planning to extend our Carvaan audio player to a platform which will include streamed music, podcast and third-party content. Carvaan will position itself as a trusted source of information and entertainment for its consumers. Our Carvaan audio player will not only offer thousands of songs, but it will also have access to streamed music and daily updatable podcasts covering a wide range of topics. Once converted to a platform, we will offer all kinds of daily updatable audio content to a target audience of 35 years of age and above, both living in India and abroad. We will look to generate recurring advertising revenue as well as subscription revenue in the future. We also will share revenue with third party content creators that release their podcast or other content on our platform.

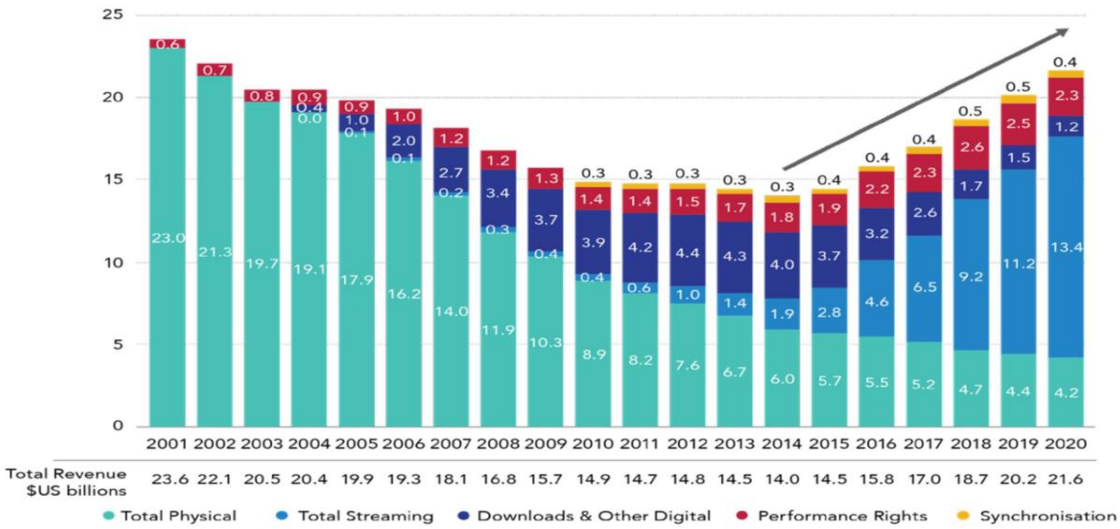
The following illustration of our Carvaan audio player shows the expanded services that we will offer on our Carvaan platform.

Leverage favorable music industry trends

We will continue to look for new industry trends to expand our business and to bring innovative music and video-based products and services to Indian consumers. The music industry has been on an upswing globally on the back of increased digital revenues. The transformation of the music business has included the following trends:

- Reduced upfront investment and associated risk;
- Distribution and customer-acquisition costs now funded by major tech companies;
- Predictable recurring revenue streams;
- Less hit driven than in the past;
- Limited, if any, seasonality;
- Minimal recession risk; and
- Increasing value of the music catalogue.

The following graph shows global recorded music industry revenue from 2001 to 2020.



Source: IFPI Global Music Report, 2021

While the music streaming segment currently comprises approximately 88% of the overall music industry revenue, CRISIL Research projects it to expand to approximately 91% by Fiscal 2025 with the pace of growth sustaining. (Source: CRISIL Report, October 2021). This segment, in particular, has been witnessing new developments, with telecom operators and content producers tying up with music OTT platforms in order to gain a larger share of the market. (Source: CRISIL Report, October 2021). Further, a decline in mobile data prices, evolving handset ecosystem along with availability of affordable smartphones and overall growth in smartphone shipments are set to continue to support the growth of music streaming in India. (Source: CRISIL Report, October 2021).

SUMMARY OF THE ISSUE

The following is a general summary of the terms of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Preliminary Placement Document, including the sections "*Risk Factors*", "*Use of Proceeds*", "*Placement*", "*Issue Procedure*" and "*Description of the Equity Shares*" on pages 47, 75, 195, 181 and 215, respectively.

Issuer	Saregama India Limited
Face value	₹ 10 per Equity Share
Issue Price	₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share)
Floor Price	₹ 4,264.68 per Equity Share, which has been calculated on the basis of Regulation 176 of the SEBI ICDR Regulations
Issue Size	Issue of [●] Equity Shares, aggregating ₹ [●] lakhs A minimum of 10% of the Issue Size, i.e., [●] Equity Shares shall be available for Allocation to Mutual Funds only and the balance [●] Equity Shares shall be available for Allocation to all Eligible QIBs, including Mutual Funds. In case of under-subscription or no subscription in the portion available for Allocation to Mutual Funds, such portion or part thereof may be Allotted to other Eligible QIBs
Date of Board resolution authorizing the Issue	September 16, 2021
Date of Shareholders' resolution authorizing the Issue	October 19, 2021
Dividend	See "*Description of Equity Shares*" and "*Dividends*" on pages 215 and 82
Eligible Investors	Eligible QIBs, to whom this Preliminary Placement Document and the Application Form are delivered and who are eligible to bid and participate in the Issue For further details, see "*Issue Procedure*" and "*Selling Restrictions*" on pages 181 and 197, respectively. The list of Eligible QIBs to whom this Preliminary Placement Document and Application Form is delivered has been determined by our Company in consultation with the BRLM
Equity Shares issued and outstanding immediately prior to the Issue	1,74,30,012 Equity Shares
Equity Shares issued and outstanding immediately after the Issue	[●] Equity Shares
Issue procedure	This Issue is being made only to Eligible QIBs in reliance on Section 42 of the Companies Act, read with Rule 14 of the PAS Rules, and all other applicable provisions of the Companies Act and Chapter VI of the SEBI ICDR Regulations. For further details, see "*Issue Procedure*" on page 181
Listing and trading	Our Company has obtained in-principle approvals dated November 2, 2021 from BSE and NSE in terms of Regulation 28(1)(a) of the SEBI Listing Regulations for listing of the Equity Shares to be issued pursuant to the Issue Our Company will make applications to each of the Stock Exchanges after Allotment and credit of Equity Shares to the beneficiary account with the Depository Participant to obtain final listing and trading approval for the Equity Shares, to be issued pursuant to this Issue
Lock-up	For details of the lock-up, see "*Placement – Lock-up*" on page 195
Transferability restrictions	The Equity Shares Allotted pursuant to this Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of a recognised stock exchange. Allotments made to VCFs, and AIFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. See "*Issue Procedure*" and "*Selling Restrictions*" on pages 181 and 197, respectively
Use of proceeds	The gross proceeds from the Issue will be aggregating to approximately ₹ [●] lakhs. The net proceeds from the Issue, after deducting Issue related expenses is expected to be approximately ₹ [●] lakhs See "*Use of Proceeds*" on page 75 for information regarding the use of Net Proceeds from the Issue

<table>
<tr><td>Risk factors</td><td colspan="2">See “Risk Factors” on page 47 for a discussion of risks you should consider before investing in the Equity Shares</td></tr>
<tr><td>Indian taxation</td><td colspan="2">See “Statement of Possible Tax Benefits” on page 218</td></tr>
<tr><td>Closing Date</td><td colspan="2">The Allotment of the Equity Shares is expected to be made on or about [●], 2021</td></tr>
<tr><td>Ranking and dividends</td><td colspan="2">The Equity Shares to be issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association and shall rank pari passu with the existing Equity Shares of our Company, including rights in respect of dividends

The Shareholders who hold Equity Shares as on the relevant record date will be entitled to participate in dividends and other corporate benefits, if any, declared by our Company after the Closing Date, in compliance with the Companies Act, SEBI Listing Regulations and other applicable laws and regulations. Shareholders may attend and vote in shareholders’ meetings in accordance with the provisions of the Companies Act. Please see sections “Dividends” and “Description of the Equity Shares” on pages 82 and 215, respectively</td></tr>
<tr><td rowspan="3">Security Codes/ Symbols for the Equity Shares</td><td>ISIN</td><td>INE979A01017</td></tr>
<tr><td>BSE Code</td><td>532163</td></tr>
<tr><td>NSE Symbol</td><td>SAREGAMA</td></tr>
</table>

SELECTED FINANCIAL INFORMATION

The following tables set out selected financial information derived from our Audited Consolidated Financial Statements and Unaudited Condensed Consolidated Interim Financial Statements. For further details, please see "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Financial Statements*", on pages 83 and 234, respectively.

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Consolidated balance sheet information:

(in ₹ lakhs, except otherwise stated)

Particulars	As at September 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
ASSETS				
(1) Non-current assets				
(a) Property, plant and equipment	21,422.93	20,457.87	20,529.30	20,570.52
(b) Right-of-use assets	90.14	109.46	44.32	-
(c) Investment properties	222.26	225.03	230.56	236.12
(d) Intangible assets	2,523.22	1,794.01	1,116.36	712.85
(e) Intangible assets under development	146.16	195.02	-	-
(f) Investment accounted for using equity method	-	-	-	-
(g) Financial assets				
(i) Investments	18,641.63	11,141.20	7,544.15	14,834.05
(ii) Loans and deposits	-	193.64	472.47	492.22
(iii) Other financial assets	194.12	0.25	0.25	0.25
(h) Other non-current assets	1,475.10	1,116.92	235.70	160.98
Total non-current assets	**44,715.56**	**35,233.40**	**30,173.11**	**37,006.99**
(2) Current assets				
(a) Inventories	8,748.89	6,919.31	9,363.57	9,629.57
(b) Financial assets				
(i) Investments	-	2,516.38	-	-
(ii) Trade receivables	8,969.09	8,735.30	10,845.84	10,974.55
(iii) Cash and cash equivalents	4,801.62	1,113.49	704.70	500.21
(iv) Bank balances other than (iii) above	10,393.14	13,383.87	194.61	178.58
(v) Loans	1,832.02	1,158.15	31.11	16.34
(vi) Other financial assets	724.40	185.60	7.24	5.17
(c) Current tax assets (net)	1,943.05	1,966.07	3,689.46	3,490.55
(d) Other current assets	9,524.69	7,188.63	6,965.54	9,078.22
Total current assets	**46,936.90**	**43,166.80**	**31,802.07**	**33,873.19**
TOTAL ASSETS	**91,652.46**	**78,400.20**	**61,975.18**	**70,880.18**
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	1,743.00	1,742.80	1,742.60	1,741.05
(b) Other equity	62,630.28	48,835.89	38,136.47	41,067.25
Equity Attributable to Owners of the Company	64,373.28	50,578.69	39,879.07	42,808.30
Non-controlling interest	330.92	313.07	224.86	261.83
Total equity	**64,704.20**	**50,891.76**	**40,103.93**	**43,070.13**
Liabilities				
(1) Non-current liabilities				
(a) Financial liabilities				
(i) Lease liabilities	55.55	74.64	-	-
(b) Employee benefit obligations	455.97	419.45	349.57	283.55
(c) Deferred tax liabilities (net)	6,101.22	5,052.33	4,578.49	5,804.81
Total non-current liabilities	**6,612.74**	**5,546.42**	**4,928.06**	**6,088.36**
(2) Current liabilities				
(a) Financial liabilities				
(i) Borrowings	-	-	923.22	6,376.53
(ii) Lease liabilities	37.31	35.58	47.03	-
(iii) Trade payables				
a) Total outstanding dues of micro enterprises and small enterprises	1.29	1.37	3.46	1.91
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	5,490.00	5,629.03	5,796.93	5,643.26
(iv) Other financial liabilities	3,388.17	6,477.22	2,346.40	4,212.94

Particulars	As at September 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
(b) Other current liabilities	2,976.37	2,549.91	2,438.83	1,831.55
(c) Provisions	8,323.05	7,094.07	5,158.92	3,567.38
(d) Employee benefit obligations	119.33	174.84	228.40	88.12
Total current liabilities	**20,335.52**	**21,962.02**	**16,943.19**	**21,721.69**
TOTAL LIABILITIES	**26,948.26**	**27,508.44**	**21,871.25**	**27,810.05**
TOTAL EQUITY AND LIABILITIES	**91,652.46**	**78,400.20**	**61,975.18**	**70,880.18**

Consolidated statement of profit and loss information:

(in ₹ lakhs, except otherwise stated)

	Particulars	Six months period ended September 30, 2021	Six months period ended September 30, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019
I	Revenue from operations	25,004.71	18,459.67	44,196.26	52,147.49	54,471.98
II	Other income	795.30	881.15	3,085.37	1,122.90	5,641.02
III	**Total income (I+II)**	25,800.01	19,340.82	47,281.63	53,270.39	60,113.00
IV	**Expenses**					
	Cost of material consumed/ Contract manufacturing charges	1,983.96	86.49	2,105.81	10,702.76	22,160.81
	Cost of production of films and television serials	3,989.16	1,410.67	4,649.68	5,408.43	4,882.90
	Changes in inventories of finished goods and work-in-progress [(increase)/decrease]	(1,066.29)	1,001.20	2,451.49	255.96	(4,703.44)
	Employee benefits expense	3,750.15	3,540.84	6,953.36	6,661.54	5,651.33
	Finance costs	209.16	176.29	345.06	671.47	656.03
	Depreciation and amortisation expense	506.04	253.07	561.00	463.76	332.51
	Other expenses	8,215.70	6,847.23	15,024.59	23,071.70	22,664.89
	Total expenses (IV)	17,587.88	13,315.79	32,090.99	47,235.62	51,645.03
V	**Profit before tax (III-IV)**	8,212.13	6,025.03	15,190.64	6,034.77	8,467.97
VI	Tax expense					
	- Current tax	2,144.61	1,585.64	3,773.08	1,968.01	2,130.51
	- Tax related to previous periods	-	-	-	45.95	-
	- Deferred tax [charge/(credit)]	(45.89)	(29.18)	71.10	(328.64)	904.80
	Total tax expense (VI)	2,098.72	1,556.46	3,844.18	1,685.32	3,035.31
VII	**Profit for the period/year (V-VI)**	6,113.41	4,468.57	11,346.46	4,349.45	5,432.66
VIII	**Other comprehensive income**					
	Items that will be reclassified to profit or loss:					
	(a) Exchange differences on translation of foreign operations	11.28	(9.97)	(5.09)	17.84	65.83
	Items that will not be reclassified subsequently to profit or loss:					
	(a) Remeasurements of post-employment benefit obligations	(5.35)	(18.47)	(18.82)	(100.79)	34.03
	(b) Changes in fair value of equity instruments designated at FVOCI	7,500.43	3,527.60	3,504.36	(7,289.90)	(259.45)
	(c) Revaluation gains relating to property,plant and equipment	959.44	-	-	-	-
	(d) Income tax relating to items that will not be reclassified subsequently to profit or loss	(1,095.95)	(405.90)	(404.38)	870.65	23.07
	Other comprehensive income for the period/year, net of tax (VIII)	7,369.85	3,093.26	3,076.07	(6,502.20)	(136.52)
IX	**Total comprehensive income for the period/year (VII+VIII)**	13,483.26	7,561.83	14,422.53	(2,152.75)	5,296.14
	Profit for the period/year attributable to:-					
	(a) Owners of the Company	6,099.65	4,394.55	11,255.41	4,393.84	5,411.34
	(b) Non-Controlling Interest	13.76	74.02	91.05	(44.39)	21.32
	Other comprehensive income for the period/year attributable to:-					
	(a) Owners of the Company	7,365.76	3,096.10	3,078.91	(6,509.62)	(150.49)
	(b) Non-Controlling Interest	4.09	(2.84)	(2.84)	7.42	13.97
	Total comprehensive income for the period/year attributable to:-					
	(a) Owners of the Company	13,465.41	7,490.65	14,334.32	(2,115.78)	5,260.85

	Particulars	Six months period ended September 30, 2021	Six months period ended September 30, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019
	(b) Non-Controlling Interest	17.85	71.18	88.21	(36.97)	35.29
X	**Earnings per equity share:** [Nominal value per share Rs.10 (previous year- Rs. 10)]					
	Basic (Rs.)	35.15	25.58	65.61	25.29	31.20
	Diluted (Rs.)	35.08	25.41	64.97	25.26	31.18

Consolidated statement of cashflows information:

(in ₹ lakhs, except otherwise stated)

	Six months period ended		Six months period ended		Year ended		Year ended		Year ended	
	September 30, 2021		September 30, 2020		March 31, 2021		March 31, 2020		March 31, 2019	
A. Cash Flow from Operating Activities										
Profit Before Tax		8,212.13		6,025.03		15,190.64		6,034.77		8,467.97
Adjustments for:										
Depreciation and amortisation expense	506.04		253.07		561.00		463.76		332.51	
Allowance for expected credit loss	4.96		257.99		134.77		159.98		(415.67)	
Finance costs	209.16		176.29		345.06		671.47		656.03	
Liabilities/Provisions no longer required written back	(1.76)		(555.27)		(589.18)		(328.09)		(1,134.80)	
Provision for doubtful debts/ advances no longer required written back	-		-		-		-		(9.35)	
Interest income	(584.08)		(305.47)		(1,690.72)		(378.82)		(879.97)	
Share based payment expense	45.17		69.08		137.71		21.78		3.05	
Bad debts/advances written off	-		2.77		25.52		5.03		24.81	
Loss on disposal of Property, plant and equipment	-		-		-		1.81		0.21	
Profit on sale of Property, plant and equipment	-		-		(0.17)		(0.12)		(0.88)	
Profit on sale of Investment in Mutual Fund	(24.75)		-		-		(0.12)		(0.43)	
Fair value gain on Mutual Fund	-		-		(16.51)					
Exchange differences on translation of foreign operations	-		-		-		17.84		65.83	
Net loss / (gain) on unrealised foreign currency transactions/ translations	3.37		49.65		31.50		(78.97)		-	
Dividend income from equity investments designated at FVOCI	-		-		(695.28)		(309.03)		(270.40)	
		158.11		(51.89)		(1,756.30)		246.52		(1,629.06)
Operating profit before Working Capital Changes		**8,370.24**		**5,973.14**		**13,434.34**		**6,281.29**		**6,838.91**
Adjustments for:										
(Increase)/Decrease in Other current assets, Loans, Other non-current assets, Other financial assets	(3,382.60)		(174.35)		(1,120.90)		2,171.94		(5,181.77)	
Increase in Other financial liabilities, Provisions, Other current liabilities	2,156.10		1,773.80		3,337.87		1,042.26		2,154.69	
(Decrease)/Increase in Trade payables	(139.11)		(197.67)		221.47		233.98		1,739.67	
(Decrease)/Increase in Employee benefit obligations	(24.33)		(13.35)		(2.50)		105.50		84.37	
(Increase)/Decrease in Trade receivables	(252.21)		1,209.57		2,032.21		63.63		(3,238.96)	
(Increase)/Decrease in Inventories	(1,829.58)		976.60		2,444.26		266.00		(4,698.37)	
(Increase) in other bank balances	-		-		-		-		(16.79)	
		(3,471.73)		3,574.60		6,912.41		3,883.31		(9,157.16)
Cash generated from/(used in) operations		**4,898.51**		**9,547.74**		**20,346.75**		**10,164.60**		**(2,318.25)**
Income taxes paid (net of refund and interest)		(2,121.59)		(151.64)		(1,375.48)		(2,212.87)		(1,254.57)
Net cash generated from/(used in) Operating Activities (A)		**2,776.92**		**9,396.10**		**18,971.27**		**7,951.73**		**(3,572.82)**
B. Cash Flow from Investing Activities										
Purchase of Property, plant and equipment and intangible assets	(1,534.48)		(298.90)		(2,200.71)		(827.80)		(1,210.45)	
Sale of Property, plant and equipment	-		-		0.17		0.12		0.80	

	Six months period ended		Six months period ended		Year ended		Year ended		Year ended	
	September 30, 2021		September 30, 2020		March 31, 2021		March 31, 2020		March 31, 2019	
Interest received	144.66		43.70		190.98		28.38		303.90	
Investment in equity shares of other company (quoted)	-		(92.70)		(92.70)		-		-	
Dividend income from equity investments designated at FVOCI	-		-		695.28		309.03		270.40	
Investment in Mutual funds	-		-		(2,499.87)		(150.00)		(200.00)	
Proceeds from sale of Investment in Mutual funds	2,541.13		-		-		150.12		200.43	
Fixed deposits placed with banks (with maturity more than 3 months)	(483.45)		(6,728.14)		(9,703.58)		(12.06)		-	
Net cash generated from/(used in) Investing Activities (B)		**667.86**		**(7,076.04)**		**(13,610.43)**		**(502.21)**		**(634.92)**
C. Cash Flow from Financing Activities										
(Repayment of)/Proceeds from Short term borrowings	-		(923.22)		(923.22)		(5,453.31)		4,789.24	
Proceeds form issue of shares	0.20		0.20		0.20		1.55		-	
Share premium received on issue of shares	4.67		4.67		4.67		19.72		-	
Purchase of Investment by Saregama Welfare Trust (Treasury Shares) (net)	-		(512.48)		(171.18)		(764.32)		-	
Exercise of shares through Saregama Welfare Trust	258.04		-		-		-		-	
Repayment of principal portion of lease liabilities	(17.36)		(37.38)		(52.72)		(78.91)		-	
Interest paid on lease liabilities	(5.06)		(1.63)		(3.67)		(9.02)		-	
Interest paid on others	(8.40)		(24.28)		(55.09)		(332.29)		(380.81)	
Dividend paid	-		(261.39)		(261.39)		(522.60)		(515.30)	
Dividend distribution tax paid	-		-		-		(107.42)		(107.36)	
Interim dividend	-		-		(3,485.60)		-		-	
Net cash generated from/(used in) Financing Activities (C)		**232.09**		**(1,755.51)**		**(4,948.00)**		**(7,246.60)**		**3,785.77**
Net increase/(decrease) in cash and cash equivalents (A+B+C)		**3,676.87**		**564.55**		**412.84**		**202.92**		**(421.97)**
Cash and Cash Equivalents at the beginning of the period/year		**1,113.49**		**704.70**		**704.70**		**500.21**		**921.71**
Effect of exchange rate changes		**11.26**		**(7.01)**		**(4.05)**		**1.57**		**(0.47)**
Cash and Cash Equivalents at the end of the period/year		**4,801.62**		**1,262.24**		**1,113.49**		**704.70**		**500.21**

RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Preliminary Placement Document, including the risks and uncertainties described below, before making an investment in our Equity Shares. The risks described below are not the only ones relevant to us or our Equity Shares, the country, the industry and segments in which we currently operate. We have described the risks and uncertainties that our management believes are material but the risks set out in this Preliminary Placement Document may not be exhaustive and additional risks and uncertainties not presently known to us, or which we currently deem to be immaterial, may arise or may become material in future. If any of the following risks, or other risks that are not currently known or are currently deemed immaterial, actually occur, our business, results of operations, financial condition and cash flows could suffer, the trading price of our Equity Shares could decline, and you may lose all or part of your investment. To obtain a complete understanding of our Company and Subsidiaries, prospective investors should read this section in conjunction with "Our Business", "Industry Overview" and "Management's Discussions and Analysis of Financial Condition and Results of Operations" on pages 146, 122 and 83, respectively, as well as the financial, statistical and other information contained in this Preliminary Placement Document. In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Issue including the merits and risks involved. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in our Equity Shares.

Unless otherwise stated, references in this section to "our Company", "we", "us", or "our" (including in the context of any financial or operational information) are to Saregama India Limited, along with our Subsidiaries on a consolidated basis, and references to "the Issuer" are to Saregama India Limited.

Our fiscal year ends on March 31 of each year. Accordingly, references to "Fiscal", are to the 12-month period ended March 31 of the relevant year. The financial information included in this section for Fiscal 2021, Fiscal 2020 and Fiscal 2019 has been extracted from our Audited Consolidated Financial Statements beginning on page 254. The financial information included in this section for the six months period ended September 30, 2021 and September 30, 2020 has been extracted from our Unaudited Condensed Consolidated Interim Financial Statements beginning on page 235.

The industry-related information contained in this section is derived from the CRISIL Report. We commissioned and paid for the CRISIL Report for the purposes of confirming our understanding of the industry exclusively in connection with the Issue. Our Company nor any other person connected with the Issue, including the BRLM, has not independently verified the information in the CRISIL Report or other publicly available information cited in this section.

Internal Risk Factors

Risks Relating to Our Business

1. ***The success of our business is dependent on the existence and maintenance of our intellectual property rights and challenges due to piracy or otherwise in maintaining, protecting and enforcing our intellectual property rights, and our involvement in intellectual property litigation, could adversely affect our business, results of operations and financial condition.***

   The success of our business depends on our ability to obtain, maintain, protect and enforce our copyrights, trademarks, patents and other intellectual property rights around the world. Our intellectual property rights, as well as our ability to enforce our intellectual property rights depend on the laws and regulations of the many jurisdictions in which it conducts business, which are not consistent across jurisdictions. We employ technology including sophisticated algorithms and software tools to actively monitor and protect against piracy and other activities that might infringe, dilute or otherwise harm our copyright and trademarks. In order to obtain, maintain, protect and enforce our intellectual property rights, we take a variety of measures, including, if necessary, litigation or proceedings before governmental authorities and administrative bodies. Our Company has an anti-infringement team which works with our content experts to constantly monitor usage of our music by third party applications, sites and videos across social media platforms and applications to catch any unauthorized usage.

   However, these measures can be expensive and time-consuming and, in some instances, can be ineffective such that, despite such measures, third parties may be able to obtain and use our intellectual property without our permission, and there is no guarantee that we will be able to successfully obtain, protect, maintain or enforce our intellectual property rights in every instance. Consumer awareness of illegally accessed content and the consequences of piracy is lower in India than in Western countries and the move to digital formats has facilitated piracy in particular through the internet and cable television. The inability to obtain, maintain, protect or enforce our intellectual property rights could adversely affect our business, results of operations and financial condition.

We have applied for certain registrations in connection with the protection of our intellectual property relating to our tradenames, trademarks and patents. Our applications and registrations may in the future be opposed, withdrawn, objected or are otherwise under dispute. If any of our unregistered intellectual property are registered in favor of a third party, we may not be able to claim registered ownership of such intellectual property, and consequently, we may be unable to seek remedies for infringement of intellectual property by third parties. Our inability to obtain or maintain these registrations may adversely affect our business, financial condition and results of operations.

In addition, if we are alleged to have infringed, misappropriated or otherwise violated the intellectual property rights of a third party (even where such claims are without merit), any litigation to defend the claim could be costly and would divert the time and resources of management, regardless of the merits of the claim and whether the claim is settled out of court or determined in its favor. There can be no assurance that we would prevail in any such litigation. If we were to lose a litigation relating to our intellectual property, in addition to the potential reputational damage, we could be forced to pay monetary damages, to obtain a license, or to cease using certain intellectual property or technologies.

Any of the foregoing may cause us to suffer economic loss and reputational damage, which would adversely affect our business, results of operations and financial condition and prospects.

2. ***We cannot predict or forecast if a song, musical composition, film or television series will be successful. In addition, changing consumer tastes could compromise our ability to predict which songs, music, films or television series will be popular with audiences in India and internationally, which could result in our costs exceeding revenues generated or anticipated profits not being realized.***

We have one of the most extensive music libraries with a portfolio of approximately 130,000 songs. (Source: CRISIL Report, October 2021). Yoodlee Films is our movie production arm and is focused on creating content for third party digital streaming platforms. We also produce television series content for southern Indian broadcast channels. We acquire IP rights in songs, music, films and television programs, and we create video content, demand for which depends substantially on consumer tastes or preferences that often change in unpredictable ways. There is no formula that will predict whether a given song, musical composition, film or television series will be successful. The success of our business depends on our ability to consistently acquire, create and license songs, music, films and television series that meet the changing preferences of the broad consumer market both within India and internationally. The popularity and economic success of our songs, music, films and television serials depends on many factors including general public tastes, the artists, musician, actors and other key talent involved, the promotion and marketing of IP, the quality and acceptance of other competing media released into, or existing in, the marketplace at or near the same time, the availability of alternative forms of entertainment and leisure time activities, general economic conditions, the genre and specific subject matter of the song, musical composition, film or television series, its critical acclaim, the breadth and format of its initial release and other tangible and intangible factors all of which can change, are factors that we cannot predict with certainty and which may be beyond our control. If we are unable to produce films and television series that appeal to Indian and international film audiences or Indian television audiences or to accurately judge audience acceptance of our film or television content, the commercial success of such films or television series will be in doubt, which could result in costs exceeding revenues generated or anticipated profits not being realized, which could have an adverse effect on our business, results of operations and financial condition. Popular appeal is critical to streaming and advertising revenue for most of our intellectual property. The popularity of a song's, film's or serials' creative talent, particularly the singers, musicians, actors and directors, has in the past been an important guide to the performance on streaming services and television. Although we have invested in building data tools that allow us to make informed decision based on the recent track record of artist, there is a likelihood that at least some of the songs, music, films or television serials in which we invest will not appeal to the changing tastes of Indian audiences, in particular if such a shift in taste or trend is sudden. Further, the commercial success of a song, film or television serial may be dependent on the public image of the artists involved which we are not in a position to control. If we are unable to acquire songs, music, films or television serials or produce films and television series that appeal to Indian and international audiences or to accurately judge audience acceptance of our new content acquisitions, the this newly acquired intellectual property may not achieve commercial success, which could result in costs exceeding revenues generated or anticipated profits not being realized. This, in turn, could have an adverse effect on our business, results of operations and financial condition.

3. ***Any material change or cancellation of our licensing agreements with streaming applications, social media platforms, video streaming platforms, broadcasting platforms or other significant licensees may adversely affect our business, financial condition, results of operations and prospects.***

We enter into licensing agreements with music streaming applications, social media platforms, video streaming platforms and broadcasting platforms for our music IP; with video streaming platforms, TV broadcast channels, transactional video on demand (TVoD) services and airlines for our video IP; and with Sun TV and YouTube for our south Indian television serials. Most of our licensing agreements are for terms of one to two years. In our music streaming licensing agreements, the pay per stream pricing model is prevalent, where the licensee generally pays a fixed amount every time a song is streamed, plus a share of advertising revenues for the advertising based free service, and many of these streaming licensing agreements provide us with a guaranteed royalty or payment amount during the term of the agreement. Most of our other licensing agreements are on a fixed revenue pricing model, where the licensee pays a fixed amount per year or term to license our content.

As our licensing agreements expire, we must renew or renegotiate the contracts, and if we are unable to renew or renegotiate them on acceptable terms, we may lose our license revenue from that licensee. . Our inability to renew or renegotiate license agreements with these licensees may materially and adversely affect our business, results of operations and financial condition. In particular, as of the date of this Preliminary Placement Document, renewal of agreements with few of our licensees are due and are currently under discussion, if we are unable to renew these agreements on favorable terms, our business, results of operations and financial condition may be adversely affected.

In addition, the pricing models and the license or royalty rates and other terms of these licenses may change as a result of various reasons beyond our control, such as changes in our bargaining power, changes in the industry, or changes in the law or regulatory environment. If our music distribution partners are no longer willing or able to license our content from us on terms acceptable to us, our business, results of operations and financial condition may be adversely affected. Likewise, decreases in license royalty rates or changes to other terms of our licenses that limit our ability to monetize our intellectual property ("**IP**") may adversely affect our business, results of operations and financial condition.

4. ***The music and video industry in India and internationally is highly competitive and our inability to compete effectively may adversely affect our business, financial condition and results of operations.***

We face intense competition from both Indian and foreign competitors, many of which are substantially larger and have greater financial resources than us, including from vertically integrated competitors that own their own distribution networks including television channels. Unlike some of our major competitors, we derive substantially all of our revenue from our library of IP rights in songs, music, films and television serials. In our music, film and television businesses, we compete with other Indian entertainment companies and investors in acquiring intellectual property rights in songs, music, film and television serials. Intensified competition may result in content cost escalation which may restrict our ability to acquire content at favorable terms or at all. Any escalation in the content acquisition cost as a result of such competition could result in us missing opportunities to acquire content or could impact the profitability of the content so acquired, which would adversely affect our growth and profitability. Our music, film and television businesses also compete for consumers acceptance and popularity in their respective genres. Our competitors may be in a better position to identify market trends, consumer tastes in music, film and television, to adapt to changes in the entertainment industry, introduce innovative new services and products, introduce content better suited for the India market, offer more competitive prices or develop better reputations for content quality. Any inability of our songs, music, film and television serials to compete effectively in the Indian market, could materially adversely affect our business, results of operations and financial condition. Further, our competitors may in the future be able to innovate or adjust to changes in the entertainment industry and consumer preferences faster than we can, and new technologies may increase competitive pressure by enabling our competitors to offer superior services or be more attractive to artists and songwriters. Such developments could adversely affect our IP's value and our negotiating position in respect of IP licensing, which could adversely affect our business, results of operations and financial condition.

5. ***We may fail to source additional IP through acquisitions or own productions and any such failure to acquire or produce additional music, film and television content would reduce our growth prospects.***

We earn revenues by licensing music, film and television content that we acquire from third parties or produce, and then license to music streaming applications, social media platforms, video streaming platforms and broadcasting platforms. Our ability to acquire content and to successfully complete our own productions depends on our ability to maintain existing relationships, and form new ones, with creative talent and other industry participants. In particular, the pool of creative talent in India is limited and, as a result, there is significant competition to secure the services of singers, musicians, actors, directors and producers, among others as well as to acquire content from IP owners like artists, producers and music labels. We believe maintaining existing relationships is key to enabling us to continue to secure content and to exploit such content in the future. While we have benefited from long-standing relationships with certain industry participants in the past due to our long history in the Indian entertainment industry, there can be no assurance that we will be able to successfully maintain these relationships and continue to have access to content and/or creative talent through such means. If any such relationship were to be adversely affected, or we are unable to form new relationships or our access to quality songs, music, film and television content otherwise deteriorates, or if any party fails to perform under its agreements or arrangements with us, it could have a material adverse effect on our business, results of operations and financial condition.

6. ***The impact of the COVID-19 pandemic is uncertain and still evolving, and could adversely affect our business, results of operations and financial condition.***

In December 2019, a human infection originating in China was traced to a novel strain of coronavirus (also known as COVID-19) and has since spread to over 200 countries and territories. The outbreak of COVID-19 was declared a pandemic by the World Health Organization on March 11, 2020, and as of the date of this Preliminary Placement Document is still ongoing and rapidly evolving. The GoI initiated a nation-wide lockdown from March 24, 2020 that lasted until May 31, 2020 and has been extended periodically by varying degrees by state governments and local administrations. Although the nationwide lockdown was lifted on June 1, 2020, restrictions on non-essential activities and travel were imposed until August 31, 2020 in multiple states across specific districts that were witnessing increases in COVID-19 cases. The second wave of COVID-19 infections impacted India in April, May and June 2021. The second wave resulted in significant strain on the health infrastructure in the country resulting in several states announcing lockdown measures. The second wave also resulted in a large part of the population working from home and implementing social distancing measures. In June 2021, the COVID-19 reported cases from the second wave started to decline and the GoI and state governments started gradually easing some of the strict precautionary measures.

Globally, border controls, travel restrictions and quarantine measures have been imposed by various countries in an effort to contain the spread of the COVID-19 outbreak, which have resulted in a period of business disruption as well as restrictions on business activity and the movement of people comprising a significant portion of the world’s population, and a decrease in economic activity in a number of countries, including India. Moreover, there is no assurance that such measures will be effective in ending or restricting the spread of COVID-19, and many countries have experienced further COVID19 outbreaks even after such measures had been eased.

The domestic policy response includes localized micro-containment measures, state-specific movement restrictions, mobilization of health supplies and ramping up of health infrastructure. As a result, many industries have been exposed to disruptions in carrying out business operations, resulting in loss of business and reduction in cash flows, which has created stress in different sectors of the economy. Any downturn in the macroeconomic environment in India could also adversely affect our business, results of operation, financial condition and prospects.

Our business, financial condition, results of operations and prospects were materially and adversely affected due to the COVID -19 pandemic, and these adverse effects included (but were not limited to) the following:

- Sales of products were adversely affected by pandemic, lockdown and stay at home measures. Sales of products decreased from ₹20,622.68 lakhs in Fiscal 2020 to ₹8,614.02 lakhs in Fiscal 2021. Consequently, our inventory levels of our Carvaan audio player increased during the pandemic as well.

- Film and television series production stopped temporarily during the national lockdown but recovered to its earlier levels within two months. Our income from films and television serials decreased from ₹7,024.52 lakhs in Fiscal 2020 to ₹5,210.37 lakhs in Fiscal 2021.

- Our workforce and third-party service providers, including key personnel, have been unable to work effectively from time to time (especially during the lockdowns and second wave), and may in the future be unable to work effectively, because of illness, government actions, or other restrictions in connection with the pandemic.

Home consumption of digital media including video, music and games increased substantially in the period since the outbreak of the COVID-19 pandemic as did the first-time users of digital media platforms. (Source: CRISIL Report, October 2021). With COVID-19 measures severely restricting movement among the Indian population, the music and entertainment industry has experienced a sharp growth in both first-time users of streaming services, as well as number of streams per user, thereby accelerating consumers' adoption of digital media by several years. Notwithstanding, we are unable to make any assurances as to whether these behavior changes are short-term or long-term, but are closely monitoring consumer patterns for our songs, films and television series.

While there has not been any significant adverse impact of COVID-19 on our business results, the extent to which the COVID-19 pandemic, and the related global economic impact, affect our business, results of operations and financial condition will depend on future developments that are highly uncertain and cannot be predicted, including the spread, scope and duration of the COVID-19 pandemic and any recovery period, the effectiveness of further steps taken by the GoI to mitigate the economic impact in response to the pandemic, the effects on our customers, counterparties, employees and third-party service providers, and the time it takes for economic activities to return to pre-pandemic levels. As of the date of this Preliminary Placement Document, there is significant uncertainty relating to the severity of long-term adverse impact of the ongoing COVID-19 pandemic on the domestic and global economy, domestic and global financial markets and the Indian entertainment industry, and we are unable to accurately predict the long-term impact of the COVID-19 pandemic on our entertainment businesses. To the extent that the COVID-19 pandemic adversely affects our business and operations, it may also have the effect of heightening many of the other risks described in this section.

7. ***Sales of our Carvaan audio player is dependent on its continued market acceptance and demand among consumers and our inability to sell our inventory at expected pricing would adversely affect our business, results of operations and financial condition.***

Sales of our Carvaan audio player is dependent on its continued market acceptance and demand among consumers of classic and retro Indian music along with its audio technology and unique styling. Demand depends substantially on consumer tastes or preferences that often change in unpredictable ways as well as competition from other music players available to consumers. As we typically maintain a three months rolling inventory of Carvaan products our inability to sell our inventory at expected pricing to, or through, our distributors, retailers and online retail channels would adversely affect our business, results of operations and financial condition.

Sales of our products were adversely affected by the COVID-19 pandemic, lockdown and stay at home measures. Our sale of products decreased from ₹20,622.68 lakhs in Fiscal 2020 to ₹8,614.02 lakhs in Fiscal 2021. Consequently, our inventory levels of our Carvaan units increased during the pandemic. Although we expect sales of Carvaan audio players to return to Fiscal 2020 levels, no assurance can be given that consumer demand will return.

8. ***Delays, cost overruns, cancellation or abandonment of the completion or release of films or television series may have an adverse effect on our business.***

Yoodlee Films is our movie production arm and is focused on creating content for third party digital streaming platforms. We produce television series content for southern Indian broadcast channels. There are substantial financial risks relating to the production, completion and release of films and television series. Actual film and television production costs may exceed their budgets and factors such as labor disputes, unavailability of a star performer, equipment shortages, disputes with production teams or adverse weather conditions may cause cost overruns and delay or hamper completion of a production. In addition, unforeseen events may delay or hamper production. For example, our productions were delayed during the COVID-19 pandemic and associated lockdowns.

We are responsible for all cost overruns on our own productions, and we are exposed execution risk. While we maintain insurance policies for the majority of our projects covering certain of these risks, and we intend to continue such practices, we cannot assure you that any cost overruns will be adequately covered or that such insurance will be available or continue to be available on terms acceptable to us in the future, or at all. In the event of substantial budget overruns, we may be required to seek additional financing from outside sources to complete a project, which may not be available on terms acceptable to us or at all. Any such delays in production, failure to complete projects and costs overruns could result in us not recovering our costs and could adversely affect our business, results of operations and financial condition.

9. ***We are dependent on a number of key personnel, including our senior management and qualified and experienced professionals, and the loss of, or our inability to attract or retain such persons could adversely affect our business, financial condition and results of operations.***

Our performance depends largely on the efforts and abilities of our senior management, other key personnel and the performance and productivity of our operational managers. We believe that the inputs and experience of our senior management and our senior managerial personnel are valuable for the development of business and operations and the strategic directions taken by our Company. For details in relation to the experience of our senior managerial personnel, see section titled "*Board of Directors and Senior Management Personnel*" on page 167. There is no assurance, however, that these individuals or any other member of our senior management team will not leave us or join a competitor. We cannot assure you that we will be able to retain these employees or find adequate replacements in a timely manner, or at all. We may require a long period of time to hire and train replacement personnel when qualified personnel terminate their employment with our Company. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting employees that our business requires. The loss of the services of such persons or our inability to recruit or train a sufficient number of experienced personnel or our inability to manage the attrition levels in different employee categories may have an adverse effect on our business and our results of operations.

10. ***If we pursue strategic acquisitions or joint ventures, we may not be able to successfully consummate favorable transactions or successfully integrate acquired businesses or fully control the operations and assets of joint ventures.***

From time to time, we may evaluate potential acquisitions of music labels and IP libraries as well as the businesses associated with them that would further our strategic objectives including the acquisition of film music and non-film songs across Punjabi, Bhojpuri, Gujarati, Tamil, Bengali, Malayalam, Marathi and Hindi languages. For further details, please see "*Our Business*" beginning on page 146. With respect to acquisitions, we may not be able to identify suitable candidates, consummate a transaction on terms that are favorable to us, or achieve expected returns and other benefits as a result of integration challenges. Companies or operations acquired or joint ventures created in the future may not be profitable or may not achieve sales levels and profitability that justify the investments made. Our corporate development activities may present financial and operational risks, including diversion of management attention from existing core businesses, integrating or separating personnel and financial and other systems, and may have adverse effects on our existing business relationships. Future acquisitions could also result in potentially dilutive issuances of equity securities, the incurrence of debt, contingent liabilities or amortization expenses related to certain intangible assets, and increased operating expenses, which could adversely affect our business, results of operations and financial condition.

We also may enter into joint ventures as part of our business strategy including in respect of plans to establish an artist management business. While we will seek to ensure that we have appropriate control when entering into joint ventures, in the future our Company may not be able to fully control the operations and the assets of our joint ventures as other investors in the joint venture may have or require certain rights under the terms of the joint venture, and therefore, we may not be able to unilaterally make significant decisions or take timely actions with respect to its joint ventures. Our inability to take decisive unilateral action in respect to our joint ventures could have a material adverse impact on our business, results of operations and financial condition. For example, our joint venture, Saregama Regency Optimedia Private Limited ("**SROPL**"), that manufactured physical media like CDs and DVDs, was directed to be wound up pursuant to an order, dated September 19, 2016.

11. ***Our inability to successfully implement some or all our business strategies in a timely manner or at all could have an adverse effect on our business.***

As part of our strategy aimed towards business growth and improvement of market position, we intend to implement several business strategies, which include:

- Expanding our IP portfolio across music, films, web-series and television;
- Strategically acquiring smaller music labels and libraries;
- Investing in data acquisition and analytics to improve content selection;
- Migrating our Caravan audio player retail business from product to integrated online platform; and
- Leveraging favorable industry trends.

Our strategy may not succeed due to various factors, including our failure to adapt our businesses changing consumer preferences and trends, our failure to execute or renew licensing agreements with streaming applications, social media platforms, video streaming platforms and broadcasting platforms, our inability to identify acquisition targets to expand our IP library, our failure to meet funding requirements to expand our business, our failure to effectively market our IP and our brands, our failure to enter into new businesses successfully, our failure to sufficiently upgrade our infrastructure, equipment and technology as required to cater to the requirement of changing demand and market preferences, our failure to maintain highest quality and efficiency in our operations and processes or to ensure scaling up of our operations to correspond with our strategy and customer demand, changes in GoI policy or regulation, our inability to respond to regular competition, and other operational and management difficulties Any failure on our part to implement our strategy due to many reasons as attributed aforesaid could be detrimental to our long-term business outlook and our growth prospects and may materially adversely affect our business, results of operations and financial condition. For further details of our strategies, see "*Our Business*" on page 146.

12. ***We rely on third parties to manufacture and supply our Carvaan audio players including manufacturers in China. If such third parties fail to deliver our Carvaan units in a timely manner or meet our specifications, or if logistics issues delay delivery, our sales of Carvaan audio players may be adversely affected. Further, we may be exposed to product liability claims in respect our Carvaan audio players.***

We rely on third parties to manufacture and supply our Carvaan audio players including manufacturers in China. If any of our suppliers is unable to deliver our Carvaan audio players in a timely manner, or at all, or meet our design or quality specifications, our sales of our Carvaan audio players may be adversely affected. In addition, if we are unable to deliver reliable and high-quality products, confidence and market acceptance of our Carvaan could be undermined and we may be unable to expand or maintain our expected sales levels. In recent months due to bottlenecks created during the COVID-19 pandemic, the shipment of products by sea have been delayed across most industries, and we are taking steps to secure Indian suppliers. However, we may experience logistics issues for this or other reasons that delay delivery of our Carvaan audio players to our distributors and adversely affects our sales of Carvaan units.

Further, our inventory of Carvaan audio players is at risk from various catastrophic losses including natural disasters, storms, fires, explosions, earthquake and floods. In April 2018, a fire at a warehouse housing our Carvaan audio players caused ₹3,758.00 lakhs of loss to our product inventory, of which ₹3,218.72 lakhs was recovered under our insurance policy for fire loss.

In addition, we may be exposed to potential product liability claims in respect of our Carvaan audio players, and the severity and timing of such claims are unpredictable. While we have taken insurance to protect us from such claims; however, this insurance coverage may be inadequate or not applicable to a particular set of claims. We face the risk of loss resulting from, and the adverse publicity associated with, product liability lawsuits, whether or not such claims are valid. We may also be subject to claims resulting from manufacturing defects or negligence in storage or handling which may lead to the deterioration of our products. Product liability claims, regardless of their merits or the ultimate success of the defense against them, are expensive. Even unsuccessful product liability claims would likely require us to incur expenditure on litigation and require our management's time and focus. Accordingly, such product liability claims, may adversely affect our results of operation and the marketability of our Carvaan audio players.

13. ***If streaming and platform based revenue fails to grow or grows less rapidly than we anticipate, our licensing revenue likely will be limited to our contractually minimum guaranteed amount and our license agreements could be renewed on less favorable terms or not at all.***

Revenues from subscription music and video platforms represent a substantial portion of our licensing revenues. In the six months period ended September 30, 2021 and Fiscal 2021, Fiscal 2020 and Fiscal 2019, revenue from license fees accounted for 67.49%, 64.62%, 45.19% and 35.75% of our total revenue from operations, respectively. According to the IFPI Global Music Report 2021 issued by the International Federation of the Phonographic Industry (IFPI), an organization that represents the interests of the recording industry worldwide, subscription music services and OTT streaming revenues accounted for approximately 62.1% of global recorded music revenues in 2020, approximately a 19.9% increase as compared to 2019.

Consumption formats in the music industry are susceptible to technological advancements and changing consumer preferences around how music is accessed, as illustrated in recent years by the global decline in revenue derived from downloads and CD sales. These, and other factors, may in the future negatively impact subscription and OTT streaming, for example where newer formats become more popular with consumers. Additionally, technology around streaming manipulation, fraud and hacking is becoming increasingly refined and subscription streaming services are particularly vulnerable which could affect the streaming of our intellectual property. Further, these platforms and applications may be subject to damage or interruption from, among other things, power loss, telecommunications failures, network failures or outages and cybersecurity risks. Interruptions in these platforms and applications, or with the internet in general, could make our IP unavailable or degraded or otherwise hinder the ability of consumers to access our content. In addition, service interruptions, software errors or the unavailability of computer systems used in their operations could diminish the overall attractiveness of membership to existing and potential customers of these platforms and applications.

In our music streaming licensing agreements, the pay per stream pricing model is prevalent, where the licensee generally pays us a fixed amount every time a song is streamed, plus a share of advertising revenues for the advertising based free service. Many of our streaming licensing agreements also provide us with a guaranteed royalty or payment amount during the term of the agreement. Most of our other licensing agreements are on a fixed revenue pricing model, where the licensee pays a fixed amount per year or term to license our content. If subscription or streaming revenue fails to grow, grows less rapidly than it has over the past several years or declines, we are protected to a large degree during the term of our licensing agreements as we will continue to receive minimum guaranteed payments and fixed payments under our agreements, but our revenue could be limited to such minimums. Notwithstanding, in such event it may be difficult for us to renew our licensing agreements on the same terms or at all, which could adversely impact our business, results of operations, financial condition and prospects.

14. ***A failure of our information systems or any security breach or unauthorized disclosure of confidential information could have a material adverse effect on our business.***

Our business is dependent upon the efficient operation of our information systems. We rely on our information systems among other things, to research and understand consumer preferences, to find songs and music for acquisition, to track unlicensed use of our IP, to manage our human resources, to help maintain our internal controls and to prepare our consolidated financial and operating data. The failure of our information systems to perform as designed or the failure to maintain and enhance or protect the integrity of these systems could disrupt our business operations, impact results of operations, expose us to customer or third- party claims, or result in adverse publicity. Additionally, we collect, process, and retain data in the normal course of our business. Despite the security measures we have in place and any additional measures we may implement in the future, our facilities and systems, and those of our third-party service providers, could experience security breaches, computer viruses, lost or misplaced data, programming errors, human errors, acts of vandalism or other events.

Any security breach or event resulting in the misappropriation, loss, or other unauthorized disclosure of confidential information, whether by us directly or our third-party service providers, could damage our reputation, expose us to the risks of litigation and liability, disrupt our business or otherwise affect our results of operations. As part of our operations, we are required to comply with the Information Technology Act, 2000 and related rules, including in particular the Information Technology (Reasonable security practices and procedures and sensitive personal data or information) Rules, 2011, and the recently introduced the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021, which provides for civil and criminal liability including compensation to persons affected, penalties and imprisonment for various cyber related offenses, including unauthorized disclosure of confidential information and failure to protect sensitive personal data and restrictions on the collection, use, disclosure and transfer of personal information.

With the proposed enactment of the Personal Data Protection Bill, 2019 ("**PDP Bill**"), and the ongoing regulatory discussions along proposed Indian regulation to govern non-personal data, the privacy and data protection laws are set to be closely administered in India, and we may become subject to additional potential compliance requirements. The Indian Government has also been mooting a legislation governing non-personal data. In September 2019, the Ministry of Electronics and Information Technology formed a committee of experts ("**NPD Committee**") to recommend a regulatory regime to govern non- personal data ("**NPD**"). The NPD Committee has released two reports till date, which recommend, among other items, a framework to govern NPD (defined as any data other than personal data), access and sharing of NPD with government and corporations alike and a registration regime.

15. ***Non-compliance with and changes in any of the applicable laws, rules or regulations, including intellectual property laws, may adversely affect our business, financial condition and results of operations.***

The adoption or modification of laws or regulations relating to intellectual property, the internet, music and video streaming and social media platforms, broadcast television or other areas of the entertainment business could limit or otherwise adversely affect the manner in which we currently conduct our business. The Indian Government and other governments globally are increasingly looking to introduce new or extend legacy regulations to entertainment IP and its distribution, in particular those related to online delivery, broadcast media and tax. For example, recent changes to European law enables individual member states to impose levies and other financial obligations on media operators located outside their jurisdiction. We anticipate that several jurisdictions may, over time, impose greater financial and regulatory obligations on us. In addition, the continued growth and development of the market for online commerce may lead to more stringent consumer protection laws, which may impose additional burdens on us. If we are required to comply with new regulations or legislation or new interpretations of existing regulations or legislation, this compliance could cause us to incur additional expenses or alter our business model and thereby adversely affect our business, results of operations and financial condition.

16. ***We are subject to certain legal proceedings and we cannot assure you that we will be successful in all of these actions. In the event we are unsuccessful in litigating any or all of the disputes, our business, financial condition and results of operations may be adversely affected.***

We are contesting certain legal proceedings in various courts and tribunals, including certain criminal proceeding, taxation proceedings and civil proceedings (a majority being disputes/claims under the Copyrights Act, 1957) cases before various forums and cannot assure you that the outcome of these legal proceedings will be favourable. We have also been issued legal notices by parties that could potentially result in legal proceedings.

Any unfavourable decision in any of these cases may adversely affect our reputation and financial condition. Such litigation could divert management time and attention and consume financial resources in their defence or prosecution. In addition, should any new developments arise, such as changes in Indian law or rulings against us by the regulators, appellate courts or tribunals, we may need to make provisions in our financial statements. If we fail to successfully defend our claims or if our provisions prove to be inadequate, our business, financial condition and results of operations could be adversely affected. For further details of the material legal proceedings that we are subject to, see the chapter titled "*Legal Proceedings*" on page 227.

17. ***We require certain approvals, licenses and registrations in the ordinary course of business and our inability to obtain, retain or renew them in a timely manner, or at all, may adversely affect our business, financial condition and results of operations.***

In order to conduct our business, we are required to obtain multiple licenses, approvals, permits and consents. Many of these approvals are granted for fixed periods of time and need to be renewed from time to time. Additionally, we may need to apply for more approvals in the future including renewal of approvals that may expire from time to time. If we fail to renew, obtain or retain any of such approvals, in a timely manner, or at all, our business and operations may be adversely affected. Additionally, some of our government approvals and licenses are subject to numerous conditions some of which are onerous and we cannot provide any assurance that we will be able to continuously meet such conditions or be able to prove compliance with such conditions.

18. ***Employee misconduct or failure of our internal processes or procedures could harm us by impairing our ability to attract and retain new artists and content and subject us to significant legal liability and reputational harm.***

Our business is exposed to the risk of employee misconduct or the failure of our internal processes and procedures. For example, inappropriate behaviour by producers and artists in the entertainment industry recently have caused content producers serious reputational harm including the inability to continue productions and, in some cases, costly litigation resulting in financial harm. Misconduct by employees also could involve the improper use or disclosure of musical or video content (including unreleased content), which could result in costly litigation and reputational or financial harm. While we strive to discourage and prevent employee misconduct and inappropriate behaviour and monitor, detect and prevent fraud or misappropriation by our employees, through various policies and internal control measures and insurance coverage, we may be unable to adequately prevent or deter such activities in all cases.

While such issues have not occurred in the past, there could be instances of misconduct or fraud by our employees, which may go unnoticed for certain periods of time before corrective action is taken. In addition, we may be subject to regulatory or other proceedings in connection with any such inappropriate behaviour, harassment, discrimination, unauthorized transactions, fraud or misappropriation by our employees, which could adversely affect our goodwill, business prospects and future financial performance. Even when we identify instances of misconduct or fraud and pursue legal recourse or file claims with our insurance carriers, we cannot assure you that we will recover any amounts lost through misconduct or fraud.

19. ***Our Carvaan audio player sales may be adversely affected if we are unable to maintain and grow our brand image.***

Our brand and its reputation are important assets and we believe our brand is significant factor in our retail customers choice to purchase our Carvaan audio player. We believe that continuing to develop awareness of our Carvaan brand, through focused and consistent branding and marketing initiatives, among consumers, is important for our ability to increase our sales volumes and our revenues, grow our existing market share and expand into new markets. Although we take many steps to increase our brand awareness and protect the value of our brand through marketing, advertising and promotion, our retail business is dependent on customers' perception of our brands and these marketing, advertising and promotional campaigns. If we adopt unsuccessful marketing and advertising programs and campaigns, we may only incur expenses without the benefit of higher revenues or our competitors may increase their advertising spend which we may not be able to match. Our competitors also may launch promotional activities, concepts, branding and advertising activities, which may increase their brand visibility and we may not be able to match them. If we fail to preserve the value of our brands, maintain our reputation, or attract consumers to our intellectual property and our products, or provide good after-sale services to our licensees and customers, our business, results of operations and financial condition could be adversely impacted.

Further, our Carvaan brand could be damaged by negative publicity in traditional or social media or by claims or perceptions about the quality of our IP, services or products, regardless of whether such claims or perceptions are true. Any untoward incidents such as litigation, regulatory actions or negative publicity, whether isolated or recurring and whether originating from us or otherwise, affecting our business or suppliers, can significantly reduce our brand value and consumer trust, and accordingly, adversely affect our sales of our Carvaan audio player.

20. ***Stock Exchanges have in the past imposed penalties on our Company for certain non-compliances under SEBI Listing Regulations.***

Our Company received notices dated August 20, 2020 from BSE and NSE in relation to non-compliance/delayed compliance with Regulation 17 (1) of the SEBI Listing Regulations in relation to appointment of an independent woman director and levying fines for such non-compliance. Our Company made representations to the Stock Exchanges seeking waiver of the fines imposed, citing reasons that our Company was unable to find a suitable candidate for the office of independent women director due to the lockdown on account of COVID -19 pandemic and that the position was later filled with effect from June 5, 2020. Subsequently, the request for waiver of fine imposed was approved by BSE and the fines imposed by NSE as per the notice dated August 20, 2020 were paid by our Company. We cannot assure that we will not be subject to any such actions by the Stock Exchanges in the future.

21. ***Our insurance coverage may not be adequate to protect us against all potential losses, which may have a material adverse effect on our business, financial condition and results of operations.***

Our operations are subject to various risks inherent to the entertainment industry and to the sale and maintaining inventory of products, as well as other risks such as theft, robbery, acts of terrorism and other force majeure events. We maintain insurance coverage for anticipated risks which are standard for our type of business and operations. As of September 30, 2021, we had a total insurance coverage of ₹65,791.00 lakhs aggregating 71.78% of our total assets. Our insurance policies cover our offices from losses in the case of fire, special perils, burglary, theft and employee fraud and misappropriation. We have also obtained inventory insurance including marine insurance for our Carvaan audio players, insurance for liabilities and losses incurred during our film and television productions, including our props, sets, cast, crew, equipment, wardrobes, negatives and data media used for special effects, and directors' and officers' liability insurance. Notwithstanding the insurance coverage that we carry, we are not fully insured against certain business risks related to the misuse or piracy of our IP or related to the operational failure of third party applications and platforms which license our IP. There are many events that could significantly impact our operations, or expose us to third-party liabilities, for which we may not be adequately insured. There can be no assurance that any claim under the insurance policies maintained by us will be honored fully, in part, or on time. To the extent that we suffer any loss or damage that is not covered by insurance or exceeds our insurance coverage, our business, results of operations and financial condition could be adversely affected.

22. ***Our Company was incorporated in 1946 and certain of our corporate records are not traceable.***

Corporate records and regulatory filings made by us in relation to certain allotment of Equity Shares could not be traced as the relevant information was not available in the records maintained by our Company and at the MCA portal maintained by the Ministry of Corporate Affairs, despite conducting internal searches and engaging an independent practicing company secretary to conduct the search. These corporate records include: (i) board and shareholders' resolutions for allotment of Equity Shares made by our Company from August 13, 1946 to March 20, 1994; and (ii) forms filed in relation to allotment of Equity Shares made by our Company since our incorporation until March 10, 2006. Accordingly, we have relied on other corporate records, including audited financial statements and annual reports available with our Company for certain allotments made between August 13, 1946 to March 20, 1994, and on minutes of meetings of board, committee and/or shareholders', as applicable, for allotments made between March 20, 1994 until March 10, 2006, as available with our Company, and a certificate dated October 31, 2021 issued by D. Dutt & Co., Company Secretaries, practicing company secretary, for such matters.

While certain information in relation to the allotments has been included in the section "*Capital Structure*" beginning on page 77, we may not be able to furnish any other information other that what is already disclosed in these sections or assure that such corporate records will be available in the future. Further, while no legal proceedings or regulatory action has been initiated against our Company in relation to untraceable corporate records as mentioned above, as of the date of this Preliminary Placement Document, we cannot assure you that such legal proceedings or regulatory actions will not be initiated against our Company in future.

23. ***We have had negative net cash flows in the past and may continue to have negative cash flows in the future.***

We have experienced negative cash flows from operating activities in Fiscal 2019. The following table sets forth our cash flows for the periods indicated:

(₹ in lakhs)

	Six months period ended September 30, 2021	**Fiscal 2021**	**Fiscal 2020**	**Fiscal 2019**
Net cash generated from/(used in) Operating Activities	2,776.92	18,971.27	7,951.73	(3,572.82)
Net cash generated from/ (used in) Investing Activities	667.86	(13,610.43)	(502.21)	(634.92)
Net cash generated from/ (used in) Financing Activities	232.09	(4,948.00)	(7,246.60)	3,785.77
Net increase/(decrease) in Cash and Cash Equivalents	3,676.87	412.84	202.92	(421.97)

Negative cash flows over extended periods, or significant negative cash flows in the short term, could materially impact our ability to operate our business and implement our growth plans. We cannot assure you that our net cash flows will be positive in the future. As a result, our cash flows, business, future financial performance and results of operations could be materially and adversely affected. For further details, see "*Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 234 and 83, respectively.

24. ***Our contingent liabilities that have not been provided for in our financial statements on materialisation may have an adverse impact our financial condition.***

The table below sets out our contingent liabilities (as disclosed in our Audited Consolidated Financial Statements and prepared in accordance with Ind AS) for which have not been provided, as of September 30, 2021 and March 31, 2021.

(₹ in lakh)

Contingent Liabilities	As of September 30, 2021	As of March 31, 2021
Income tax matter	2,808.68	1,050.74
Indirect tax matter	463.63	463.63
Copyright matter	20.25	20.25
Other matter	4,649.77	4,295.04
TOTAL	**7,942.33**	**5,829.66**

For details as of March 31, 2021, see "*Financial Statements – Notes to Consolidated Financial Information – Note 38 - Contingent Liabilities in respect of*" on page 302 and for details as of September 30, 2021, see "*Financial Statements – Notes to Unaudited Condensed Consolidated Interim Financial Information – Note 16 - Contingent Liabilities in respect of*" on page 253.

Cash outflows for the above are determinable inter alia on receipt of judgments pending at various forums/ authorities. For further information on our contingent liabilities, see "*Financial Statements – Notes to Consolidated Financial Information - Note 38 - Contingent Liabilities in respect of*" on page 302. Any or all of these contingent liabilities may become actual liabilities. In the event that any of these contingent liabilities materialises, our business, financial condition and results of operations may be adversely affected.

25. ***We face foreign exchange risks that could adversely affect our results of operations.***

Our revenue relating to licence fees, sales of products, films and television serials and publication by primary geography (international) totals ₹8,763.45 lakhs, ₹10,508.47 lakhs, ₹10,717.85 lakhs and ₹8,363.83 lakhs, in the six months period ended September 30, 2021, Fiscal 2021, Fiscal 2020 and Fiscal 2019, respectively. Accordingly, our results of operations may be affected by any adverse fluctuations in the value of the Indian Rupee against the U.S. Dollar or other foreign currencies. Additionally, net gains/(losses) on foreign currency transactions in the six months period ended September 30, 2021, Fiscal 2021, Fiscal 2020 and Fiscal 2019 of ₹(29.84) lakhs, ₹22.45 lakhs, ₹59.13 lakhs and ₹96.30 lakhs, respectively. These gains/(losses) were related to instances where the market exchange rate at the time of transaction was in our favour or against us as compared to the rates we had applied when the transactions were accounted. For further information on our exchange rate risk management, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Principal Factors Affecting our Results of Operations – Quantitative and Qualitative Analysis of Market Risks – Market Risks*".

26. ***The agreements governing our indebtedness contain certain restrictive covenants and our inability to comply with these covenants could adversely affect our business, results of operations financial condition, cash flows and credit ratings.***

We have entered into agreements in relation to financing arrangements with certain banks for working capital facilities. As of September 30, 2021, we had no outstanding borrowings. Some of these agreements contain standard requirements to maintain certain security margins, financial ratios and contain restrictive covenants relating to issuance of new shares, changes in capital structure, making material changes to constitutional documents, implementing any expansion scheme and incurring further indebtedness. Although, we have not availed any of the facilities under these financing arrangements as on the date of this Preliminary Placement Document, we may avail these facilities in the future to meet our working capital requirements. Some of these financing arrangements specify that upon the occurrence of an event of default, the lender shall have the right to, inter alia, cancel the outstanding facilities available for drawdown, declare the loan to be immediately due and payable with accrued interest and enforce rights over the security created. There can be no assurance that we will be able to comply with these financial or other covenants.

Our inability to comply with the conditions prescribed under the financing arrangements, or repay the loans as per the repayment schedule, if availed in the future, may have an adverse impact on our credit rating, business operations and future financial performance.

27. ***Any downgrade of our debt ratings could adversely affect our business.***

As of the date of this Preliminary Placement Document, we have received the following credit ratings on our debt and credit facilities.

Instrument or Rating Type	Amount (₹ in lakhs)	Date	Ratings
Long Term Fund Based Facilities	6,500.00	July 7, 2021	CARE A+; Positive
Short Term Non Fund Based Facilities	1,000.00	July 7, 2021	CARE A1+

These ratings assess our overall financial capacity to pay our obligations and are reflective of our ability to meet financial commitments as they become due. There can be no assurance that these ratings will not be revised or changed by the above rating agencies due to various factors, including on account of the COVID-19 pandemic or upon a change of government tax or fiscal policy, which are outside our control. Any downgrade in our credit ratings may increase interest rates for refinancing our outstanding debt, which would increase our financing costs, and adversely affect our future issuances of debt and our ability to raise new capital on a competitive basis.

28. ***If we are unable to establish and maintain an effective internal controls and compliance system, our business and reputation could be adversely affected.***

We are responsible for establishing and maintaining adequate internal control measures commensurate with the size and complexity of operations. Our internal audit functions make an evaluation of the adequacy and effectiveness of internal control systems on an ongoing basis in respect of compliance requirements and internal guidelines. We periodically test and update our internal processes and systems and there have been no past material instances of failure to maintain effective internal controls and compliance system. However, we are exposed to operational risks arising from the potential inadequacy or failure of internal processes or systems, and our actions may not be sufficient to ensure effective internal checks and balances in all circumstances.

We take reasonable steps to maintain appropriate procedures for compliance and disclosure and to maintain effective internal controls over our financial reporting so that we produce reliable financial reports and prevent financial fraud. As risks evolve and develop, internal controls must be reviewed on an ongoing basis. Maintaining such internal controls requires human diligence and compliance and is therefore subject to lapses in judgment and failures that result from human error. Any lapses in judgment or failures that result from human error can affect the accuracy of our financial reporting, resulting in a loss of investor confidence and a decline in the price of our equity shares.

Further, our operations are subject to anti-corruption laws and regulations. These laws generally prohibit us and our employees and intermediaries from bribing, being bribed or making other prohibited payments to government officials or other persons to obtain or retain business or gain some other business advantage. We participate in collaborations and relationships with third parties whose actions could potentially subject us to liability under these laws or other local anti-corruption laws. While our code of conduct requires our employees and intermediaries to comply with all applicable laws, and we continue to enhance our policies and procedures in an effort to ensure compliance with applicable anti-corruption laws and regulations, these measures may not prevent the breach of such anti-corruption laws, as there are risks of such breaches in emerging markets, such as India, including within entertainment sector. If we are not in compliance with applicable anti-corruption laws, we may be subject to criminal and civil penalties, disgorgement and other sanctions and remedial measures, and legal expenses, which could have an adverse impact on our business, financial condition, results of operations and liquidity. Likewise, any investigation of any potential violations of anti-corruption laws by the relevant authorities could also have an adverse impact on our business and reputation.

29. ***We conduct certain business operations on leased premises and our inability to renew such leases may adversely affect our business, financial condition and results of operations.***

We have lease arrangements for our offices including regional offices. In case of any deficiency in the title of the owners from whose premises we operate, breach of the contractual terms of any lease, leave and licensing agreements, or if any of the owners of these premises do not renew the agreements under which we occupy the premises, or if they seek to renew such agreements on terms and conditions unfavorable to us, or if they terminate our agreements, we may suffer a disruption in our operations and will have to look for alternate premises. There can be no assurance that we will be able to retain or renew such leases on same or similar terms, or that we will find alternate locations for the existing offices on terms favorable to us, or at all. Failure to identify suitable premises for relocation of existing properties, if required, or in relation to new or proposed properties we may purchase, in time or at all, may have an adverse effect on our business and results of operations. We are also susceptible to legal proceedings that our lessors may initiate against us. For instance, in relation to one of our regional offices in Mumbai, proceedings have been initiated against our Company by the lessor, Life Insurance Corporation of India alleging unauthorised occupation of the leased premises with claims for inter alia damages, arrears of rent and eviction from property. For further details, see "*Legal Proceedings- Material civil litigation involving our Company- Against our Company*" on page 229. While the proceedings and subsequent orders have been challenged by our Company, any unfavourable outcome in these proceedings or any such similar proceedings in the future, may adversely affect our business, cash flows and results of operations.

Further, non-executed or improperly executed, unregistered or insufficiently stamped conveyance instruments in a property's chain of title, unregistered encumbrances in favour of third parties, rights of adverse possessors, ownership claims of family members of prior owners or third parties, or other defects that a purchaser may not be aware of can affect title to a property. As a result, potential disputes or claims over title to these properties may arise. An instrument not duly stamped, or insufficiently stamped, is not admitted as evidence in any Indian court or may even attract a penalty as prescribed under applicable law.

30. ***Our Promoter/Promoter Group have significant control over us and have the ability to direct our business and affairs; their interests may conflict with your interests as a shareholder.***

As on September 30, 2021, our Promoter and Promoter Group together held 63.77% of our pre-Issue Equity Share capital. Following the completion of the Offer, our Promoter and Promoter Group, may continue to hold a majority of our Company's Equity Share capital. This concentration of ownership could limit your ability to influence corporate matters requiring shareholders' approval. Consequently, our Promoter and Promoter Group will have the ability to significantly influence matters requiring shareholders' approval, including the ability to appoint Directors on our Board and the right to approve significant actions at Board and at shareholders' meetings, including the issuance of Equity Shares and dividend payments, business plans, mergers and acquisitions, any consolidation or joint venture arrangements, any amendment to our Memorandum of Association and Articles of Association. . The interests of the Promoter/Promoter Group may differ and conflict with those of our investors and shareholders which may cause them to act in a manner that may not be in the best interests of our shareholders. Any such conflict may adversely affect our ability to execute our business strategy or to operate our business. For the latest shareholding pattern of our Company, see "*Shareholding Pattern of our Company*" on page 175.

31. ***We have in the past entered into related party transactions in the ordinary course of our business on an arm's length basis and may continue to do so in the future, which may potentially involve conflicts of interest with the equity shareholders.***

We have entered into various transactions on an "arm's length basis" with related parties and may continue to enter, into such related party transactions in the future in the ordinary course of our business. While we believe that all such transactions have been conducted on an arm's length basis and contain commercially reasonable terms, we cannot assure you that we could not have achieved more favorable terms had such transactions been entered into with unrelated parties. It is likely that we may enter into related party transactions in the future. Such related party transactions may potentially involve conflicts of interest. For instance, our Company has in the past, extended unsecured loans to Open Media Network Private Limited ("**OMNPL**"), our wholly-owned Subsidiary which have been converted into equity shares of OMNPL in May, 2019. We cannot assure you that we will be able to get expected returns from the said transaction or that in similar instances the unsecured loans extended by our Company will not be converted into equity in the future. For details on our related party transactions, see "*Related Party Transactions*" on page 81. Further, we cannot assure you that such transactions, individually or in the aggregate, even if entered into at arms-length terms, will always be in the best interests of our shareholders and will not have an adverse effect on our business, financial condition and results of operations.

32. Our Promoter, certain of our Directors and senior managerial personnel have interests in our Company in addition to their normal remuneration or benefits and reimbursement of expenses incurred.

Our Promoter, certain of our Directors and senior managerial personnel have interests in our Company that are in addition to reimbursement of expenses and normal remuneration payable to them. The Promoter, certain of our Directors and senior managerial personnel may be deemed to be interested to the extent of Equity Shares held by them, as well as to the extent of any dividends, bonuses or other distributions on such Equity Shares. We cannot assure you that our Promoter, Directors and our senior management personnel will exercise their rights as shareholders to the benefit and best interest of our Company. For further details of such interests, see "*Board of Directors and Senior Managerial Personnel*" on page 67.

33. Grant of stock options by our Company will result in a charge to our statement of profit and loss and will, to that extent, reduce our reported profits, and exercise of stock options may lead to dilution.

Our Company has framed and implemented an employee stock option scheme – the Saregama Employees Stock Option Scheme - 2013 (the "**Saregama ESOS 2013**"). For further details, see "*Capital Structure – Employee stock option scheme*" on page 79.

As of the date of this Preliminary Placement Document, we have 48,000 outstanding stock options under the Saregama ESOS 2013. Grant of stock options by our Company will result in a charge to our statement of profit and loss and will, to that extent, reduce our reported profits in future periods. Any issuance of the equity or equity-linked securities by us, including through exercise of employee stock options pursuant to the Saregama ESOS 2013 may dilute your shareholding in our Company, adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. Our employees may also choose to exercise the vested options and subsequently sell the Equity Shares upon listing. Any perception by investors that such issuances or sale might occur could also affect the trading price of the Equity Shares.

34. We may not be able to utilise the proceeds from this Issue in the manner set out in this Preliminary Placement Document in a timely manner or at all.

Our funding requirements and the deployment of the proceeds from this Issue are based on our current business plan and strategy. For details in relation to the objects of the Issue, see "*Use of Proceeds*" on page 75. Our management will have discretion to decide how the proceeds of the issue will be utilised. We cannot assure that the current business plan will be implemented in its entirety or at all. In view of the highly competitive and dynamic nature of our business, we may have to revise our business plan from time to time and consequently these funding requirements. Any such variance may be on account of one or more factors, some of which may be beyond our control. Occurrence of any such event may delay our business plans and/or may have an adverse bearing on our business, financial condition, results of operations and prospects. Accordingly, prospective investors in the Issue will need to rely upon our management's judgment with respect to the use of the Net Proceeds. If we are unable to deploy the Net Proceeds in a timely or an efficient manner, it may affect our business, financial condition, results of operations and prospects.

35. We cannot assure you that our Company will declare dividends to its shareholders in the future as our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.

We have declared dividend in the past. For further information, see "*Dividends*" on page 82.

Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flow, working capital requirements, capital expenditure and restrictive covenants of our financing arrangements. The declaration and payment of dividends, if any, in the future will be recommended by our Board of Directors, and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act, 2013.

We may retain all future earnings, if any, for use in the operations and expansion of the business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on a number of factors that our Board deems relevant, including among others, our earnings and profitability, cash generated from operations, capital requirements, overall financial conditions and any other financing arrangements. Consequently, we may be unable to pay dividends in the near- or medium-term. In the event we do not declare dividends going forward, our reputation and the price of the Equity Shares shall be adversely affected. While our Company has declared dividend in the past, there can be no assurance that we shall, or shall be able to, declare dividends in future. Accordingly, realization of a gain on Shareholders' investments will depend on the appreciation of the price of the Equity Shares. There is no guarantee that our Equity Shares will appreciate in value.

36. ***Our Subsidiaries may not pay cash dividends on shares that we hold in them. Consequently, our Company may not receive any return on investments in our Subsidiaries.***

Our Subsidiaries are separate and distinct legal entities, having no obligation to pay dividends and may be restricted from doing so by law or contract, including applicable laws, charter provisions and the terms of their financing arrangements. We cannot assure you that our Subsidiaries will generate sufficient profits and cash flows, or otherwise be able to pay dividends to us in the future.

37. ***We track certain operational metrics with internal systems and tools. Certain of our operational metrics are subject to inherent challenges in measurement which may adversely affect our business and reputation.***

We track certain operational metrics, including key business and non-GAAP metrics such as Adjusted Debt/Equity Ratio, EBIT, Adjusted Interest Coverage Ratio, Return on Net Worth, ROCE, Capital Employed, Net Worth, Adjusted Profit, Adjusted Interest, amongst others, with internal systems and tools and which may differ from estimates or similar metrics published by third parties due to differences in sources, methodologies, or the assumptions on which we rely. Our internal systems and tools have a number of limitations, and our methodologies for tracking these metrics may change over time, which could result in unexpected changes to our metrics, including the metrics we publicly disclose. If the internal systems and tools we use to track these metrics undercount or over count performance or contain algorithmic or other technical errors, the data we report may not be accurate. While these numbers are based on what we believe to be reasonable estimates of our metrics for the applicable period of measurement, there are inherent challenges in measuring how our platforms are used across large populations. In addition, limitations or errors with respect to how we measure data or with respect to the data that we measure may affect our understanding of certain details of our business, which could affect our long-term strategies. If our operating metrics are not accurate representations of our business, if investors do not perceive our operating metrics to be accurate, or if we discover material inaccuracies with respect to these figures, we expect that our business, reputation, results of operations and financial condition would be adversely affected.

38. ***Certain sections of this Preliminary Placement Document contain information from CRISIL Report which has been commissioned and paid for by us and any reliance on such information for making an investment decision in the Issue is subject to inherent risks. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.***

Certain sections of this Preliminary Placement Document include information based on, or derived from, the CRISIL Report or extracts of the CRISIL Report prepared by CRISIL Research, which is not related to our Company, Directors or Promoter. We commissioned and paid for this report for the purpose of confirming our understanding of the industry in connection with the Issue. All such information in this Preliminary Placement Document indicates the CRISIL Report as its source. Accordingly, any information in this Preliminary Placement Document derived from, or based on, the CRISIL Report should be read taking into consideration the foregoing.

Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Industry sources do not guarantee the accuracy, adequacy or completeness of the data. While we have taken reasonable care in the reproduction of the information, the information has not been prepared or independently verified by us, the BRLM or any of our or its respective affiliates or advisors and therefore, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics. Due to subjective or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon.

Further, the CRISIL Report is not a recommendation to invest or disinvest in any company covered in the CRISIL Report. Accordingly, prospective investors should not place undue reliance on, or base their investment decision solely on this information.

In view of the foregoing, you may not be able to seek legal recourse for any losses resulting from undertaking any investment in the Issue pursuant to reliance on the information in this Preliminary Placement Document based on, or derived from, the CRISIL Report. You should consult your own advisors and undertake an independent assessment of information in this Preliminary Placement Document based on, or derived from, the CRISIL Report before making any investment decision regarding the Issue. See "*Industry Overview*" on page 122.

39. Changes in tax laws or challenges to our Company's tax position could adversely affect our Company's results of operations and financial conditions

Our business, financial condition and results of operations could be adversely affected by any change in the extensive central and state tax regime in India applicable to us and our business. Tax and other levies imposed by the central and state governments in India that affect our tax liability, include central and state taxes and other levies, income tax, turnover tax, goods and service tax, stamp duty and other special taxes and surcharges, which are introduced on a temporary or permanent basis from time to time. This extensive central and state tax regime is subject to change from time to time. The final determination of our tax liability involves the interpretation of local tax laws and related regulations in each jurisdiction, as well as the significant use of estimates and assumptions regarding the scope of future operations and results achieved and the timing and nature of income earned and expenditures incurred.

For instance, the Government of India has implemented two major reforms in Indian tax laws, namely the GST, and provisions relating to general anti-avoidance rules ("**GAAR**"). The indirect tax regime in India has undergone a complete overhaul. The indirect taxes on goods and services, such as central excise duty, service tax, central sales tax, state value added tax, surcharge and excise have been replaced by Goods and Service Tax with effect from July 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement may result in, among others, a denial of tax benefit to us and our business. In the absence of any precedents on the subject, the application of these provisions is subjective. If the GAAR provisions are made applicable to us, it may have an adverse tax impact on us. Further, if the tax costs associated with certain of our transactions are greater than anticipated because of a particular tax risk materializing on account of new tax regulations and policies, it could affect our profitability from such transactions.

Further, the Finance Act, 2020, has, amongst others things, notified changes and provided a number of amendments to the direct and indirect tax regime, including, without limitation, a simplified alternate direct tax regime and that dividend distribution tax ("**DDT**"), will not be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident and are subject to tax deduction at source. Our Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source from such dividend. Investors should consult their own tax advisors about the consequences of investing or trading in the Equity Shares.

40. We have not obtained valuation report from the registered valuer for determination of the Issue Price of the Equity Shares

The Issue Price shall be determined by us in consultation with the Book Running Lead Manager, based on the Bids received, in compliance with Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013 read with rules made thereunder. In terms of Section 62 (1)(c) of Companies Act, 2013 read with Rule 13 of the Companies (Share Capital and Debentures) Rules, 2014, the price of shares to be issued by a listed company are not required to be determined by the valuation report of a registered valuer and Issue shall be made in accordance with the provisions of the Companies Act, 2013 and regulations made by the Securities and Exchange Board of India. Further, we are not required to obtain any valuation report for Issue in terms of Articles of Association of our Company. While we consider that valuation report is not applicable for Issue and have not obtained any valuation report from a registered valuer for determination of the Issue Price of Equity Shares to be allotted pursuant to the Issue, we cannot assure you that we will not receive any notice, clarification, or communication from any statutory or regulatory authorities in relation to procurement of valuation report for the Issue. In the event we are required to obtain any valuation report upon receipt of any such communication from any statutory or regulatory authority, we cannot assure of its impact on Issue Price of Equity Shares and there could be a failure or delay in listing the Equity Shares on the Stock Exchanges, which would adversely affect your ability to sell the Equity Shares.

41. ***We may be classified as a passive foreign investment company, which could result in adverse U.S. federal income tax consequences to U.S. investors of our Equity Shares.***

We would be classified as a passive foreign investment company ("**PFIC**") for any taxable year if, after the application of certain look-through rules, either: (i) 75% or more of our gross income for such year is "passive income" (as defined in the relevant provisions of the Internal Revenue Code of 1986, as amended), or (ii) 50% or more of the value of our assets (determined on the basis of a quarterly average) during such year is attributable to assets that produce or are held for the production of passive income. For these purposes, cash and other liquid assets are considered held for the production of passive income.

Based on the value of our assets and the composition of our income, assets and operations, we believe we were not a PFIC for the taxable year ending on March 31, 2021. However, a separate determination must be made each year as to our Company's PFIC status. Moreover, the PFIC determination depends on, among other things, our market capitalization, which could fluctuate significantly. Accordingly, it is possible that we may become a PFIC for the current taxable year or future years. There will likely be certain adverse consequences to U.S. investors under United States tax laws if we were to be a PFIC in the current or any future taxable year in which such U.S. investors hold Equity Shares. In addition, in the event we are treated as a PFIC, U.S. investors will be subject to certain U.S. Internal Revenue Service information reporting obligations. U.S. investors should consult their tax advisors on this matter.

Risks Relating to Doing Business in India

42. ***A slowdown in economic growth in India could adversely affect our business, financial condition, results of operations and prospects and the trading price of the Equity Shares.***

Our performance and the growth of our business are necessarily dependent on the health of the overall Indian economy. Any slowdown or perceived slowdown in the Indian economy or the Indian entertainment industry could adversely affect our business. Additionally, an increase in trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could negatively affect interest rates and liquidity, which could adversely affect the Indian economy and our business. In particular, the COVID-19 pandemic caused an economic downturn in India and globally. The overall impact on India's economy for year ended March 31, 2022, remains uncertain but is likely to be negative. Any downturn in the macroeconomic environment in India could also adversely affect our business, financial condition, results of operations and prospects and the trading price of the Equity Shares.

India's economy could be adversely affected by a general rise in interest rates or inflation, adverse weather conditions affecting agriculture, commodity and energy prices as well as various other factors. A slowdown in the Indian economy could adversely affect the policy of the GoI towards our industry, which may in turn adversely affect our financial performance and our ability to implement our business strategy.

The Indian economy is also influenced by economic and market conditions in other countries, particularly emerging market conditions in Asia. A decline in India's foreign exchange reserves and exchange rate fluctuations may also affect liquidity and interest rates in the Indian economy, which could adversely impact our financial condition. A loss of investor confidence in other emerging market economies or any worldwide financial instability may adversely affect the Indian economy, which could materially and adversely affect our business, financial condition, results of operations and prospects.

Further, other factors which may adversely affect the Indian economy are scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing of our developments and expansions; volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges; changes in India's tax, trade, fiscal or monetary policies, like application of GST; political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries; occurrence of natural or man-made disasters; infectious disease outbreaks or other serious public health concerns; prevailing regional or global economic conditions; and other significant regulatory or economic developments in or affecting India or its entertainment sector.

43. ***The Indian securities market and the Indian economy are influenced by economic and market conditions in other countries which may have an adverse effect on our business, financial condition, results of operations and prospects and the trading price of the Equity Shares.***

The Indian securities market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Financial turmoil in Asia, U.S. and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business, our future financial performance and the trading price of the Equity Shares.

The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections in recent years. Financial markets and the supply of credit could continue to be negatively impacted by ongoing concerns surrounding the sovereign debts and/or fiscal deficits of several countries in Europe, the possibility of further downgrades of, or defaults on, sovereign debt, concerns about a slowdown in growth in certain economies and uncertainties regarding the stability and overall standing of the European Monetary Union.

Trade tensions between the U.S. and major trading partners, most notably China, continue to escalate following the introduction of a series of tariff measures in both countries. Although China is the primary target of U.S. trade measures, value chain linkages mean that other emerging markets, primarily in Asia, may also be impacted. China's policy response to these trade measures also presents a degree of uncertainty. There is some evidence of China's monetary policy easing and the potential for greater fiscal spending, which could worsen existing imbalances in its economy. This could undermine efforts to address already high debt levels and increase medium-term risks. These and other related factors such as concerns over recession, inflation or deflation, energy costs, geopolitical issues, slowdown in economic growth in China and Renminbi devaluation, commodity prices and the availability and cost of credit have had a significant impact on the global credit and financial markets as a whole, including reduced liquidity, greater volatility, widening of credit spreads and a lack of price transparency in the United States, Europe and the global credit and financial markets. This and any prolonged financial crisis may have an adverse impact on the Indian economy, and in turn on our business, financial condition, results of operations and prospects.

A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in the Indian financial markets and indirectly in the Indian economy in general. Any worldwide financial instability could influence the Indian economy. In response to such developments, legislators and financial regulators in the United States, Europe and other jurisdictions, including India, have implemented several policy measures designed to add stability to the financial markets. In addition, any increase in interest rates by the United States Federal Reserve will lead to an increase in the borrowing costs in the United States which may in turn impact global borrowing as well. Furthermore, in several parts of the world, there are signs of increasing retreat from globalization of goods, services and people, as pressure for the introduction of a protectionist regime is building and such developments could adversely affect Indian exports. However, the overall impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. In the event that the current adverse conditions in the global credit markets continue or if there is any significant financial disruption, this could have an adverse effect on our business, future financial performance and the trading price of the Equity Shares.

Since December 2019, the ongoing outbreak of COVID-19 has affected countries globally, with the World Health Organisation declaring the outbreak as a pandemic on March 12, 2020. There have been border controls, lockdowns and travel restrictions imposed by various countries, as a result of the COVID-19 outbreak. Such outbreak of an infectious disease together with the resulting restrictions on travel and/or imposition of lockdown measures have resulted in protracted volatility in domestic and international markets has resulted in a global slowdown and crisis. In particular, the COVID-19 outbreak has caused stock markets worldwide to fluctuate significantly in value and has impacted global economic activity. A number of governments have revised gross domestic product growth forecasts for 2020 and 2021 downwards in response to the economic slowdown caused by the spread of COVID-19, and it is possible that the outbreak of COVID-19 will cause a prolonged global economic crisis or recession.

If we are unable to successfully anticipate and respond to changing economic and credit market conditions, our business, financial condition, results of operations and prospects may be adversely affected.

44. Political instability or changes in the economic policies by the GoI could impact our business, financial condition and results of operations.

We are incorporated in India and derive substantial majority of our revenues from our music, video and publishing operations in India. Consequently, our performance and the market price and liquidity of our Equity Shares may be affected by exchange rates and controls, interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India. The GoI has traditionally exercised and continues to exercise significant influence over many aspects of the Indian economy. Our business, the entertainment industry and the market price and liquidity of our Equity Shares, may be affected by changes in the GoI's policies, including taxation.

Since 1991, successive Indian governments have pursued policies of economic liberalisation, including significantly relaxing restrictions on the private sector. However, there can be no assurance that such policies will be continued and any significant change in the GoI's policies in the future could affect our business and economic conditions in India in general. As economic liberalisation policies have been a major force in encouraging private funding in the Indian economy, any change in these policies could have a significant impact on business and economic conditions in India, which could adversely affect our r business, financial condition and results of operations. In addition, any geopolitical stability affecting India will adversely affect the Indian economy and the Indian securities markets in general, which could affect the price of our Equity Shares.

45. Natural calamities, climate change and health epidemics and pandemics such as COVID-19 could adversely affect the Indian economy and our business, financial condition and results of operations. In addition, hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect our business, financial condition and results of operations.

India has experienced natural calamities, such as earthquakes, floods and drought in recent years. Natural calamities could have an adverse impact on the Indian economy which, in turn, could adversely affect our business, and may damage or destroy our facilities or other assets. Similarly, global or regional climate change or natural calamities in other countries where we operate could affect the economies of those countries. Any of these natural calamities could adversely affect our business, financial condition and results of operations.

A number of countries in Asia, including India, as well as countries in other parts of the world, are susceptible to contagious diseases and, for example, have had confirmed cases of the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine. In addition, the COVID-19 pandemic, has caused a worldwide health crisis and economic downturn. Any future outbreak of health epidemics may restrict the level of business activity in affected areas, which may, in turn, adversely affect our business. See "*The impact of the COVID-19 pandemic is uncertain and still evolving, and could adversely affect our business, results of operations and financial condition.*"

India has from time-to-time experienced instances of social, religious and civil unrest and hostilities between neighbouring countries. Further, military activity or terrorist attacks in the future could influence the Indian economy by disrupting communications and making travel more difficult and such political tensions could create a greater perception that investments in Indian companies involve higher degrees of risk. Events of this nature in the future, as well as social and civil unrest within other countries in Asia, could influence the Indian economy and could have a material adverse effect on the market for securities of Indian companies, including the Equity Shares.

46. Differences exist between Ind-AS and other accounting principles, such as U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with Ind-AS contained in this Preliminary Placement Document.

Our Financial Statements for the six months period ended September 30, 2021 and Fiscal 2021, Fiscal 2020, Fiscal 2019 in this Preliminary Placement Document are prepared and presented in accordance with Ind-AS. Ind-AS differs from accounting principles with which prospective investors may be familiar in other countries, such as U.S. GAAP and IFRS. Differences exist between Ind-AS, U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with Ind-AS contained in this Preliminary Placement Document. Accordingly, the degree to which the financial information included in this Preliminary Placement Document will provide meaningful information is dependent on the Investor's familiarity with Ind-AS and the Companies Act. Any reliance by persons not familiar with Ind-AS on the financial disclosures presented in this Preliminary Placement Document should accordingly be limited.

47. ***Inflation in India could have an adverse effect on our profitability and if significant, on our financial condition.***

In recent months, consumer and wholesale prices in India have exhibited increased inflationary trends, as the result of an increase in crude oil prices, higher international commodity prices, and higher domestic consumer and supplier prices. The Consumer Price Index increased from 3.4% (average) in Fiscal 2019 to 4.8% (average) in Fiscal 2020 to an estimated 6.2% (average) in Fiscal 2021. Although the RBI has enacted certain policy measures designed to curb inflation, these policies may not be successful. Continued high rates of inflation may increase our expenses related to salaries or wages payable to our employees, raw materials and other expenses. There can be no assurance that we will be able to pass on any additional expenses to our customers or that our revenue will increase proportionately corresponding to such inflation. Accordingly, high rates of inflation in India could have an adverse effect on our business, financial condition and results of operations.

48. ***Any downgrading of India's debt rating by an international rating agency could have an adverse impact on our business and the trading price of the Equity Shares.***

Any adverse revision to the rating of India's domestic or international debt by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such funding is available. This could have an adverse effect on our business and future financial performance, our ability to obtain financing for capital expenditures and the trading price of the Equity Shares.

49. ***Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws and regulations, may adversely affect our business, financial condition and results of operations.***

Our business and financial performance could be adversely affected by unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations applicable to us and our business. Additionally, as an Indian Company with Equity Shares listed on the Stock Exchanges, we are subject to additional regulatory requirements, both in terms of compliance with the SEBI LODR Regulations.

There can be no assurance that the Government of India may not implement new regulations and policies which will require us to obtain approvals and licenses from the Government of India and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the applicability, interpretation and implementation of any amendment to, or change to governing laws, regulation or policy in the jurisdictions in which we operate may have a material adverse effect on our business, financial condition and results of operations. In addition, we may have to incur expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations. Any unfavourable changes to the laws and regulations applicable to us could also subject us to additional liabilities. For example, the Government of India implemented a comprehensive national goods and services tax regime with effect from July 1, 2017, that combines multiple taxes and levies by the federal and state governments into a unified tax structure. In addition, the GAAR became effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain and may or may not have an adverse tax impact on us.

The application of various Indian tax laws, rules and regulations to our business, currently or in the future, is subject to interpretation by the applicable taxation authorities. If such tax laws, rules and regulations are amended, new adverse laws, rules or regulations are adopted or current laws are interpreted adversely to our interests, the results could increase our tax payments (prospectively or retrospectively) and/or subject us to penalties.

50. ***Our businesses and activities may be regulated under competition laws in India, and any adverse application or interpretation of such laws could adversely affect our business, financial condition, results of operations and prospects.***

The Competition Act, 2002 (the "**Competition Act**") regulates practices that could have an appreciable adverse effect on competition in the relevant market in India. Any adverse application or interpretation of the Competition Act could adversely affect our business, financial condition, results of operations and prospects. Under the Competition Act, any arrangement, understanding or action in concert, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition in India is void and may result in substantial monetary penalties and compensation to be paid to persons shown to have suffered losses. Any agreement among competitors, which, directly or indirectly, determines purchase or sale prices, results in bid rigging or collusive bidding, limits or controls production, supply, markets, technical development, investment or provision of services, or shares the market or source of production or provision of services in any manner, including by way of allocation of geographical area or types of goods or services or number of customers in the market, is presumed to have an appreciable adverse effect on competition.

Further, the Competition Act prohibits abuse of a dominant position by any enterprise, directly or indirectly, including by way of unfair or discriminatory pricing or conditions in sale of goods or services, limiting production of goods, provision of services, or technical or scientific developments relating to goods or services to the prejudice of consumers, using a dominant position in one relevant market to enter into, or protect, another relevant market, denial of market access, or making the conclusion of contracts subject to acceptance of unrelated supplementary obligations. Such practices are subject to substantial monetary penalties and may also be subject to compensation for losses and orders to divide the enterprise.

If we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, proceedings initiated by the CCI, any claim by any party under the Competition Act, or any adverse publicity due to scrutiny or prosecution under the Competition Act, including financial penalties, our business, financial condition, results of operations and prospects may be adversely affected.

Acquisitions, mergers and amalgamations that exceed certain revenue and asset thresholds require prior approval by the CCI. Any acquisitions, mergers or amalgamations that have an appreciable adverse effect on competition in India may be subject to remedial measures proposed by the CCI. We cannot assure you that we will be able to obtain approval for any such future transactions on satisfactory terms, or at all.

51. ***There may be difficulty in enforcing a judgment obtained outside India against our Company.***

Our Company is a limited liability company incorporated under the laws of India. Our Board of Directors comprises of nine Directors, all of whom are Indian citizens. All of our Senior Managerial Personnel are residents of India and majority of the assets of our Company and such persons are located in India. As a result, it may not be possible for investors outside India to effect service of process upon our Company or such persons in India, or to enforce against them judgments obtained in courts outside India.

India is not a signatory to any international treaty in relation to the recognition or enforcement of foreign judgments. Recognition and enforcement of foreign judgments is provided for under section 13 and section 44A of the Code of Civil Procedure, 1908 (the "**Civil Code**").

Section 13 of the Civil Code provides that a foreign judgment shall be conclusive as to any matter thereby directly adjudicated upon except:

(a) where it has not been pronounced by a court of competent jurisdiction;

(b) where it has not been given on the merits of the case;

(c) where it appears on the face of the proceedings to be founded on an incorrect view of international law or a refusal to recognise the law of India in cases where such law is applicable;

(d) where the proceedings in which the judgment was obtained were opposed to natural justice;

(e) where it has been obtained by fraud; or

(f) where it sustains a claim founded on a breach of any law then in force in India.

Section 44A of the Civil Code provides that where a foreign judgment has been rendered by a superior court (within the meaning of that section) in any country or territory outside India which the Government has by notification declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the foreign judgment had been rendered by the relevant court in India. Under the Civil Code, a court in India will, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the foreign judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record, but such presumption may be displaced by proving want of jurisdiction. However, section 44A of the Civil Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalty and is not applicable to arbitration awards.

Each of the United Kingdom, Singapore and Hong Kong has been declared by the Government to be a reciprocating territory for the purposes of section 44A of the Civil Code but the United States has not been so declared. A foreign judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a new suit based upon the foreign judgment and not by proceedings in execution. Such a suit has to be filed in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India. Accordingly, a judgment of a court in the United States may be enforced only by a fresh suit upon the foreign judgment and not by proceedings in execution.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India. Furthermore, it is unlikely that an Indian court would enforce a foreign judgment if it viewed the amount of damages awarded as excessive or inconsistent with public policy and is uncertain whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered pursuant to execution, and any such amount may be subject to tax in accordance with applicable laws. Any judgment for payment of amounts denominated in a foreign currency would be converted into Rupees on the date of the judgment and not on the date of the payment. Our Company cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

For details in relation to enforceability of judgments obtained outside India, see "*Enforcement of Civil Liabilities*" on page 21.

Risks relating to our Equity Shares and the Issue

52. An investor will not be able to sell any of the Equity Shares other than on a recognized Indian stock exchange for a period of 12 months from the date of this Issue.

The Equity Shares are subject to restrictions on transfers. Pursuant to the SEBI ICDR Regulations, for a period of 12 months from the date of the issue of the Equity Shares, QIBs subscribing to the Equity Shares may only sell their Equity Shares on the Stock Exchanges and may not enter into any off market trading in respect of these Equity Shares. We cannot be certain that these restrictions will not have an impact on the price and liquidity of the Equity Shares.

53. Any future issuance of the Equity Shares or sales of the Equity Shares by any of our Company's significant shareholders may adversely affect the trading price of the Equity Shares.

A future issuance of Equity Shares by us may dilute your shareholding in the Issuer. There are no restrictions on our ability to issue further Equity Shares, including allotment of any securities to the Promoter, other than as stipulated under applicable laws. The issue and allotment of Equity Shares by us to third parties would result in a dilution of your shareholding and rights in the Issuer.

Moreover, any significant disposal of Equity Shares by any of our significant shareholders, or the perception that such sales will occur, may affect the trading price of our Equity Shares. As a publicly traded company, there is no restriction on our shareholders to dispose of a part or the entirety of their shareholding in the Issuer, which could lead to a negative sentiment in the market regarding the Issuer that could in turn impact the value of the Equity Shares.

54. Investors may be restricted in their ability to exercise pre-emptive rights under Indian law and may be adversely affected by future dilution of their ownership position.

Pursuant to the Companies Act, 2013 a company incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by adoption of a special resolution when the votes cast in favour of the resolution by the holders who, being entitled so to do, vote in person or by proxy or by postal ballot, are required to be not less than three times the number of the votes, if any, cast against the resolution by members so entitled and voting. However, if the law of the jurisdiction the Investor is in does not permit them to exercise their pre-emptive rights without us filing a Preliminary Placement Document or registration statement with the applicable authority in the jurisdiction they are in, they will be unable to exercise their pre-emptive rights unless we make such a filing. If we elect not to make such a filing, you may not be able to exercise your pre-emptive rights in relation to such an offering. To the extent that Investors are unable to exercise pre-emptive rights granted in respect of the Equity Shares held by them, their proportional interest in us would be reduced.

55. The price of the Equity Shares may be volatile.

The trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments. In addition, if the stock markets in general experience a loss of investor confidence, the trading price of our equity shares could decline for reasons unrelated to our business, financial condition or operating results. The trading price of our equity shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Each of these factors, among others, could adversely affect the price of our equity shares.

56. Investors will be subject to market risks until the Equity Shares credited to the investor's demat account are listed and permitted to trade.

Investors can start trading the Equity Shares allotted to them only after they have been credited to an investor's demat account, are listed and permitted to trade. Since the Equity Shares are currently traded on BSE and NSE, investors will be subject to market risk from the date they pay for the Equity Shares to the date when trading approval is granted for the same. Further, there can be no assurance that the Equity Shares allocated to an investor will be credited to the investor's demat account in a timely manner or that trading in the Equity Shares will commence in a timely manner.

57. Applicants to the Issue are not allowed to withdraw or revise downwards their Bids after the Bid /Issue Closing Date.

In terms of the SEBI ICDR Regulations, applicants in the Issue are not allowed to withdraw their Bids after the Bid/Issue Closing Date. The Allotment of Equity Shares in this Issue and the credit of such Equity Shares to the applicant's demat account with depository participant could take approximately seven days and up to 10 days from the Bid/Issue Closing Date. However, there is no assurance that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in the business, financial condition and results of operations of our Company, or other events affecting the applicant's decision to invest in the Equity Shares, would not arise between the Bid/ Issue Closing Date and the date of Allotment of Equity Shares in the Issue. Occurrence of any such events after the Bid/Issue Closing Date could also impact the market price of the Equity Shares. The applicants shall not have the right to withdraw their Bids in the event of any such occurrence. Our Company may complete the Allotment of the Equity Shares even if such events may limit the applicants' ability to sell the Equity Shares after the Issue or cause the trading price of the Equity Shares to decline.

58. Investors may be subject to Indian taxes arising out of capital gains on the sale of our Equity Shares.

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 months will be subject to long term capital gains tax in India at the specified rates depending on certain factors, such as whether the sale is undertaken on or off the stock exchanges, the quantum of gains and any available treaty exemption Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of securities transaction tax ("**STT**"), on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold.

Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

Additionally, the Finance Act, 2020 provides, amongst others things that dividend distribution tax will not be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident.

59. Our Equity Shares are quoted in Indian rupees in India and investors may be subject to potential losses arising out of exchange rate risk on the Indian rupee and risks associated with the conversion of Indian rupee proceeds into foreign currency.

Investors are subject to currency fluctuation risk and convertibility risk since our Equity Shares are quoted in Indian rupees on the Indian stock exchanges on which they are listed. Dividends on the Equity Shares will also be paid in Indian Rupees. In addition, foreign investors that seek to sell Equity Shares will have to obtain approval from the RBI, unless the sale is made on a stock exchange or in connection with an offer made under regulations regarding takeovers. The volatility of the Indian rupee against the US dollar and other currencies may subject investors who convert funds into Indian rupees to purchase our Equity Shares to currency fluctuation risks.

60. Foreign investors are subject to foreign investment restrictions under Indian law that limit our ability to attract foreign investors, which may adversely affect the trading price of our Equity Shares.

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the requirements specified by the RBI. If the transfer of shares is not in compliance with such requirements or falls under any of the specified exceptions, then prior approval of the RBI will be required. In addition, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no-objection or tax clearance certificate from the income tax authority. Additionally, the Indian government may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the Indian government experiences extreme difficulty in stabilizing the balance of payments or where there are substantial disturbances in the financial and capital markets in India. These restrictions may require foreign investors to obtain the Indian government's approval before acquiring Indian securities or repatriating the interest or dividends from those securities or the proceeds from the sale of those securities. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

MARKET PRICE INFORMATION

As on the date of this Preliminary Placement Document, 1,74,30,012 Equity Shares have been issued, subscribed and paid up. The Equity Shares have been listed on BSE and NSE since April 10, 1995 and January 27, 2000, respectively. The Equity Shares are listed and traded on NSE under the symbol SAREGAMA and BSE under the scrip code 532163.

On November 1, 2021, the closing price of the Equity Shares on BSE and NSE was ₹ 4,155.75 and ₹ 4,149.35 per Equity Share, respectively. Since the Equity Shares are available for trading on BSE and NSE, the market price and other information for each of BSE and NSE has been given separately.

BSE									
Fiscal	**High (₹)**	**Date of high**	**Number of Equity Shares traded on the date of high**	**Total turnover of Equity Shares traded on date of high (₹ lakhs)**	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on the date of low**	**Total turnover of Equity Shares traded on date of low (₹ lakhs)**	**Average price for the year (₹)**
2021	1,692.60	March 16, 2021	8,616	145.09	208.35	April 1, 2020	1,121	2.21	658.35
2020	602.25	April 8, 2019	592	3.55	188.40	March 30, 2020	13,816	26.68	434.52
2019	854.05	May 15, 2018	1,64,255	1,413.17	472.25	October 26, 2018	5,529	26.30	633.12

(Source: www.bseindia.com)

NSE									
Fiscal	**High (₹)**	**Date of high**	**Number of Equity Shares traded on the date of high**	**Total turnover of Equity Shares traded on date of high (₹ lakhs)**	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on the date of low**	**Total turnover of Equity Shares traded on date of low (₹ lakhs)**	**Average price for the year (₹)**
2021	1,693.80	March, 16, 2021	1,18,071	2,000.89	204.80	April 1, 2020	6,775	13.62	656.93
2020	605.95	April 8, 2019	22,829	137.44	190.00	March 30, 2020	21,108	40.50	434.63
2019	851.50	May 15, 2018	5,16,596	4,418.49	473.35	October 26, 2018	33,380	159.27	633.27

(Source: www.nseindia.com)

Note:

1. High, low and average prices are based on the daily closing prices, for the respective period.
2. In case of two days with the same high or low price, the date with the higher volume has been chosen.
3. In case of a year, average price for the year represents the average of the closing prices on each day of each year.

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- The following tables set forth the reported high, low and average market prices and the trading volumes of the Equity Shares on the Stock Exchanges on the dates on which such high and low prices were recorded during each of the last six months, as applicable:

BSE											
Month, year	High (₹)	Date of high	Number of Equity Shares traded on date of high	Total turnover of Equity Shares traded on date of high (₹ lakhs)	Low (₹)	Date of low	Number of Equity Shares traded on date of low	Total turnover of Equity Shares traded on date of low (₹ lakhs)	Average price for the month (₹)*	Equity Shares traded in the month	
										Volume	Turnover (₹ lakhs)
October 2021	4,411.00	October 13, 2021	1,870	82.19	3,667.00	October 1, 2021	1,488	53.47	4,189.53	29,358	1,221.14
September 2021	4,178.35	September 15, 2021	3,107	127.95	3,221.65	September 2, 2021	321	10.38	3,730.12	67,353	2621.16
August 2021	3,531.35	August 9, 2021	998	34.26	3045.10	August 23, 2021	5,352	162.01	3,349.66	33,340	1,094.03
July 2021	3,584.15	July 8, 2021	3,073	109.08	3,114.10	July 2, 2021	2,044	63.56	3,353.16	65,620	2,202.51
June 2021	3,144.90	June 30, 2021	2,054	65.00	2,424.85	June 4, 2021	4,266	103.80	2,657.94	69,267	1,890.99
May 2021	2,582.65	May 31, 2021	11,164	290.99	1,854.40	May 4, 2021	2,399	45.60	2,203.94	94,817	2,157.01

(Source: www.bseindia.com)

NSE											
Month, year	High (₹)	Date of high	Number of Equity Shares traded on date of high	Total turnover of Equity Shares traded on date of high (₹ lakhs)	Low (₹)	Date of low	Number of Equity Shares traded on date of low	Total turnover of Equity Shares traded on date of low (₹ lakhs)	Average price for the month (₹)*	Equity Shares traded in the month	
										Volume	Turnover (₹ lakhs)
October 2021	4,438.80	October 13, 2021	7,925	350.68	3,726.20	October 1, 2021	7,060	253.80	4,191.61	1,97,269	8,264.39
September 2021	4,193.65	September 15, 2021	25,148	1,036.72	3,231.6	September 2, 2021	4,195	135.40	3,733.02	3,62,766	13,783.71
August 2021	3,560.65	August 9, 2021	10,901	383.99	3,075.5	August 23, 2021	27,060	822.34	3,365.22	2,64,458	8,797.95
July 2021	3,572.85	July 9, 2021	8,843	310.03	3,137.65	July 2, 2021	15,699	491.32	3,361.71	5,07,416	16,996.24
June 2021	3,130.9	June 30, 2021	17,657	555.86	2,425.8	June 4, 2021	33,636	819.17	2,668.76	4,02,100	10,713.22
May 2021	2,586.9	May 31, 2021	74,477	1,938.08	1,856.1	May 4, 2021	20,731	393.09	2,203.95	9,24,601	20,696.92

(Source: www.nseindia.com)

Note:

1. *High, low and average prices are based on the daily closing price, for the respective period.*
2. *In case of two days with the same high or low price, the date with the higher volume has been chosen.*
3. *In case of a month, average price for the month represents the average of the closing prices on each day of each month.*

- The following table set forth the details of the number of Equity Shares traded on the Stock Exchanges and the turnover during Fiscals 2021, 2020 and 2019:

Fiscal	Number of Equity Shares Traded		Turnover (In ₹ lakhs)	
	BSE	NSE	BSE	NSE
2021	11,91,790	1,37,03,029	9,944.99	1,02,350.20
2020	4,08,360	48,18,191	1,631.18	20,017.21
2019	24,54,924	1,42,55,447	17,624.70	99,314.73

(Source: www.bseindia.com and www.nseindia.com)

- The following tables set forth the market price on the Stock Exchanges on September 17, 2021 being the first working day following the approval of the Board for the Issue:

BSE					
Open	**High**	**Low**	**Close**	**Number of Equity Shares traded**	**Volume (₹ lakhs)**
4,079.40	4,079.40	3,815.25	3,848.70	2,526	96.84

(Source: www.bseindia.com)

NSE					
Open	**High**	**Low**	**Close**	**Number of Equity Shares traded**	**Volume (₹ lakhs)**
4,073.00	4,073.00	3,830.15	3,830.15	11,379	437.18

(Source: www.nseindia.com)

USE OF PROCEEDS

The gross proceeds from this Issue shall be approximately ₹ [•] lakhs. The net proceeds from this Issue, after deducting fees, commissions and expenses relating to this Issue, will be approximately ₹ [●] lakhs ("**Net Proceeds**").

Purpose of this Issue

Our Company proposes to utilize the Net Proceeds to meet its requirements of additional fund primarily for acquisition of content-music across multiple Indian languages, inorganic growth through acquisition to plug gaps in the content line-up and for general corporate purpose including but not limited to pursuing new business opportunities, acquisitions, meeting the issue expenses etc, as may be permissible under the applicable law and approved by our Board or a duly constituted committee thereof from time to time to meet corporate exigencies.

The Net Proceeds are proposed to be deployed towards the purpose set out above and are not proposed to be utilized towards any specific project. Accordingly, the requirement to disclose (i) the break-up of cost of the project (ii) means of financing such project, and (iii) proposed deployment status of the proceeds at each stage of the project, is not applicable.

In accordance with applicable laws, we undertake to not utilize proceeds from the Issue unless Allotment is made and the corresponding return of Allotment is filed with RoC, and the final listing and trading approvals are received from each of the Stock Exchanges, whichever is later.

As permissible under applicable laws, our Company's management will have flexibility in deploying the Net Proceeds. The amounts and timing of any expenditure will depend on, among other factors, the amount of cash generated by our operations, competitive and market developments and the availability of acquisition or investment opportunities on terms acceptable to us. Pending utilization of the Net Proceeds, our Company intends to invest the funds in creditworthy instruments, including but not limited to money market, mutual funds and deposits with banks and corporates and other securities. Such investments will be in accordance with the investment policies approved by the Board and/ or a duly authorized committee of the Board, from time to time, and in accordance with applicable laws. Please also see "*Risk Factors - We may not be able to utilise the proceeds from this Issue in the manner set out in this Preliminary Placement Document in a timely manner or at all"* on page 61.

Our Company shall disclose the utilization of funds raised through the Issue in its annual report every year until such funds are fully utilized and shall file such quarterly or other statements in relation to utilization of funds as may be required under applicable laws.

Our main objects clause and objects incidental or ancillary to the main objects clause of our Memorandum of Association enables us to undertake the objects contemplated by us in this Issue.

Neither our Promoter nor our Directors are making any contribution either as a part of this Issue or separately in furtherance of the use of the Net Proceeds.

Further, neither our Promoter nor our Directors shall receive any proceeds from the Issue, whether directly or indirectly. Since the Issue is only made to QIBs, our Promoter, Directors or key managerial personnel are not eligible to subscribe in the Issue.

CAPITALISATION STATEMENT

The following table sets forth the capitalisation of our Company, on a consolidated basis, as at September 30, 2021 and as adjusted to give effect to the receipt of the gross proceeds of the Issue.

This table should be read in conjunction with "*Risk Factors*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 47 and 83, respectively.

(₹ in lakhs except ratios)

Particulars	Pre-Issue (as at September 30, 2021)	Post-Issue as adjusted of Issue*
Current borrowings:	0.00	[•]
Non-current borrowings:	0.00	[•]
Total borrowings (A)	0.00	[•]
Equity:		
Equity Share capital	1,743.00	[•]
Securities premium	10,281.78	
Other Equity (excluding securities premium)	52,348.50	[•]
Equity attributable to owners of the Company	**64,373.28**	[•]
Non-controlling interests	330.92	
Total Equity (B)	**64,704.20**	**[•]**
Total (A+B)	**64,704.20**	**[•]**
Total borrowings/ Total Equity (A/B)	**0.00**	**[•]**

**The corresponding post-Issue capitalisation data for each of the above amounts given in the table is not determinable at this stage pending the determination of terms of the Issue and hence, the same have not been provided in the above statement.*

Notes:
Balances in column 'Pre-Issue (as at September 30, 2021)' are as per the Unaudited Condensed Consolidated Interim Financial Statements for the six months period ended September 30, 2021.

CAPITAL STRUCTURE

The share capital of our Company, as of the date of this Preliminary Placement Document, is set forth below:

(in ₹, except share data)

	Particulars	Aggregate nominal value (except for securities premium account)
A)	**AUTHORISED SHARE CAPITAL**	
	2,50,00,000 Equity Shares of ₹ 10 each	25,00,00,000
B)	**ISSUED, SUBSCRIBED AND FULLY PAID-UP SHARE CAPITAL PRIOR TO THE ISSUE**	
	1,74,30,012 Equity Shares of ₹ 10 each	17,43,00,120
C)	**PRESENT ISSUE IN TERMS OF THIS PRELIMINARY PLACEMENT DOCUMENT (1)**	
	Up to [●] Equity Shares aggregating up to ₹ [●](1) (2)	[●]
D)	**ISSUED, SUBSCRIBED AND FULLY PAID-UP SHARE CAPITAL AFTER THE ISSUE**	
	[●] Equity Shares (2)	[●]
E)	**SECURITIES PREMIUM ACCOUNT**	
	Before the Issue	1,02,81,77,772
	After the Issue (2)(3)	[●]

(1) *The Issue was approved by the Board of Directors on September 16, 2021. Subsequently, our Shareholders, through a special resolution, approved the Issue pursuant to an extraordinary general meeting dated October 19, 2021.*
(2) *To be determined upon finalization of the Issue Price.*
(3) *The securities premium account after the Issue is calculated on the basis of gross proceeds of the Issue.*

Equity Share capital history of our Company

The history of the Equity Share capital of our Company as on the date of this Preliminary Placement Document is provided in the following table:

Date of issue/allotment	Number of Equity Shares	Face value (₹)	Issue price per Equity Share (₹)	Nature of consideration	Reason/ Nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
August 13, 1946 - March 20, 1994	From August 13, 1946 till March 20, 1994, our Company issued and allotted 43,96,720 Equity Shares. Corporate records, including minutes of the board, committee and/or shareholders meeting and form filings, in relation to such allotments are not traceable by our Company. Also, see "*Risk Factors – Our Company was incorporated in 1946 and certain of our corporate records are not traceable*" on page 57.						
March 21, 1994*	1,04,79,282	10	-	Other than cash	Conversion of debentures and loans pursuant to the order of the Board for Industrial and Financial Reconstruction dated November 11, 1993	1,48,76,002	14,87,60,020
March 27, 1994*	12,97,072	10	-	Other than cash		1,61,73,074	16,17,30,740
July 1, 1994*	20,00,000	10	-	Other than cash		1,81,73,074	18,17,30,740
Pursuant to a special resolution of our shareholders dated May 9, 1996 and the order of the High Court at Calcutta dated July 24, 1996, the Equity Share capital of our Company was reduced by 60% from ₹ 18,17,30,740 (1,81,73,074 Equity Shares of ₹ 10 each) to ₹ 7,26,92,300 (72,69,230 Equity Shares of ₹ 10 each).							
March 2, 2000*	7,00,000	10	1,785	Cash	Private placement	79,69,230	7,96,92,300
July 10, 2000*	13,73,370	10	-	Other than cash	Amalgamation of RPG Music International Limited and Gramco	93,42,600	9,34,26,000

Date of issue/allotment	Number of Equity Shares	Face value (₹)	Issue price per Equity Share (₹)	Nature of consideration	Reason/ Nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
					Music Publishing Limited with our Company as per Scheme of Amalgamation approved by the High Court at Calcutta by order dated June 13, 2000		
May 11, 2005*#	53,18,392	10	45	Cash	Rights issue issued in ratio 4:7	1,46,60,992	14,66,09,920
March 10, 2006*	13,633	10	45	Cash	Rights issue issued in ratio 4:7	1,46,74,625	14,67,46,250
December 29, 2006	988	10	45	Cash	Rights issue issued in ratio 4:7	1,46,75,613	14,67,56,130
February 19, 2007	125	10	45	Cash	Rights issue issued in ratio 4:7	1,46,75,738	14,67,57,380
September 11, 2009	27,27,000	10	102.47	Cash	Preferential allotment	1,74,02,738	17,40,27,380
	200	10	45	Cash	Rights issue issued in ratio 4:7	1,74,02,938	17,40,29,380
August 28, 2017	7,554	10	53.95	Cash	Allotment of shares under the Saregama ESOS 2013	1,74,10,492	17,41,04,920
May 7, 2019	9,520	10	69.85	Cash		1,74,20,012	17,42,00,120
August 21, 2019	4,000	10	243.70	Cash		1,74,24,012	17,42,40,120
February 28, 2020	2,000	10	243.70	Cash		1,74,26,012	17,42,60,120
September 10, 2020	2,000	10	243.70	Cash		1,74,28,012	17,42,80,120
September 9, 2021	2,000	10	243.70	Cash		1,74,30,012	17,43,00,120
Total						**1,74,30,012**	**17,43,00,120**

Notes:

#*In the rights issue undertaken by our Company, initially 53,18,392 Equity Shares were allotted on May 11, 2005 whereas the allotment of 20,236 Equity Shares was kept in abeyance, out of which, cumulatively, 14,946 Equity Shares have been allotted by our Company on March 10, 2006, December 29, 2006, February 19, 2007 and September 11, 2009. The allotment of 5,290 Equity Shares is pending as on the date of this Preliminary Placement Document.*

**Our Company is unable to trace certain corporate records and filings, including from the RoC records, in relation to the respective corporate action undertaken by the Company. Our Company has relied on the information available in the minutes of the board, committee and/or shareholders meeting (as applicable) and other corporate records for the respective corporate action and on the certificate issued by D. Dutt & Co., Company Secretaries, Practicing Company Secretary vide its certificate dated October 31, 2021 for disclosing the details of the changes in the issued, subscribed and paid-up Equity Share capital of our Company. Also, see "Risk Factors – Our Company was incorporated in 1946 and certain of our corporate records are not traceable" on page 57.*

Pre-Issue and post-Issue shareholding pattern of Company

The pre-Issue and post-Issue shareholding pattern of our Company, as on October 29, 2021, is set forth below:

#	Category	Pre-Issue (as on October 29, 2021)		Post-Issue*	
		No. of Equity Shares held	% of share holding	No. of Equity Shares held	% of share holding
A. Promoter / Promoter Group holding					
1.	Indian				
	Individual	-	-	[●]	[●]
	Body corporates	1,11,14,979	63.77	[●]	[●]
	Others	-	-	[●]	[●]
	Sub-total	**1,11,14,979**	**63.77**	[●]	[●]
2.	Foreign promoter	-	-	[●]	[●]

#	Category	Pre-Issue (as on October 29, 2021)		Post-Issue*	
		No. of Equity Shares held	% of share holding	No. of Equity Shares held	% of share holding
	Sub-total (A)	**1,11,14,979**	**63.77**	[●]	[●]
B. Non-Promoter Holding					
1.	Institutional Investors				
	Indian	4,95,362	2.84	[●]	[●]
	Foreign	17,20,673	9.87	[●]	[●]
2.	Non-Institutional Investors				
	Private corporate bodies	9,93,925	5.70	[●]	[●]
	Directors and relatives (other than promoters)	2,54,000	1.46	[●]	[●]
	Indian public	26,01,018	14.92	[●]	[●]
	Others including Non-Resident Indians (NRIs)	2,12,055	1.22	[●]	[●]
	Sub-total	**62,77,033**	**36.01**	[●]	[●]
3.	Non-Promoter non-public	38,000	0.22	[●]	[●]
	Sub-total (B)	**63,15,033**	**36.23**	[●]	[●]
	Grand Total (A+B)	**1,74,30,012**	**100**	[●]	[●]

**The details of the post-Issue shareholding pattern will be filled-in before filing of the Placement Document with the Stock Exchanges.*

Employee stock option scheme

Saregama ESOS 2013

Our Company has adopted the 'Saregama Employees Stock Option Scheme- 2013' ("**Saregama ESOS 2013**"), which was approved by our Board by a resolution dated March 25, 2013 and our Shareholders through a special resolution dated July 26, 2013, pursuant to which options can be granted to permanent employees, including Directors, of our Company and our Subsidiaries. Thereafter, the Saregama ESOS 2013 was amended by a resolution of our Shareholders dated July 31, 2015, wherein an upper ceiling was imposed such that not more than 30,000 equity shares in aggregate could be allotted to an individual employee. Further, the scheme was extended to the eligible employees including directors of the subsidiaries. On July 27, 2018, our Shareholders by a special resolution in the annual general meeting approved the maximum number of options that can be granted under the Saregama ESOS 2013 i.e. 8,70,146 such that the maximum options granted to an employee does not exceed 30,000 options in a financial year. Subsequently, our Shareholders approved an amendment to the Saregama ESOS 2013 pursuant to a resolution dated July 19, 2019. Pursuant to such amendment, the scheme is being administered by the Nomination and Remuneration Committee through the Saregama Welfare Trust ("**ESOS Trust**") which will be involved in secondary market acquisition of Equity Shares of the Company. The ESOS Trust will hold the Equity Shares for the benefit of the eligible employees and will utilise such Equity Shares for the purpose of transferring them to the optionee upon exercise of the options under the scheme.

The purpose of the Saregama ESOS 2013 is, among others, to create a destination company for high caliber talent, to create a line of sight for employees with the overall organizational performance, to create a sense of ownership amongst employees and to create wealth for employees through a reward mechanism linked to the Company's performance. The Saregama ESOS 2013 is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. Each option granted under this scheme will entitle option holder to subscribe to one Equity Share, upon payment of the exercise price.

As on the date of this Preliminary Placement Document, the details of options pursuant to Saregama ESOS 2013 are as follows:

Particulars	Number of stock options
Total number of stock options	8,70,146
Stock options granted	3,60,000
Stock options vested and remain unexercised	18,000
Stock options exercised	2,89,074
Stock options lapsed / forfeited/ cancelled	22,926
Total stock options outstanding	48,000

Other confirmations

(i) Except as disclosed below, our Company has not made any allotments, including for consideration other than cash, in the last one year preceding the date of this Preliminary Placement Document

Date of issue/allotment	Number of Equity Shares	Face value (₹)	Issue price per Equity Share (₹)	Nature of consideration	Total consideration (₹)	Reason/ Nature of allotment
September 9, 2021	2,000	10	243.70	Cash	4,87,400	Allotment of shares under the Saregama ESOS 2013

(ii) Our Equity Shares have been listed for a period of at least one year prior to the date of the issuance of the notice for the meeting conducted through VC / OAVM facility on October 19, 2021, to the Shareholders for the approval of this Issue.

(iii) There will be no change in control of our Company pursuant to the Issue.

(iv) Our Company has not allotted securities on preferential basis or private placement or by way of rights issue in the last one year preceding the date of this Preliminary Placement Document.

(v) Our Company shall not make any subsequent qualified institutions placement until the expiry of two weeks from the date of this Issue. Further, Equity Shares allotted pursuant to this Issue cannot be sold by the Allottee for a period of one year from the date of allotment, except on the Stock Exchanges.

(vi) Except as disclosed in "-*Employee stock option scheme*" above, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares as on the date of this Preliminary Placement Document.

Proposed Allottees in the Issue

The names of the proposed Allottees, assuming that the Equity Shares are Allotted to them pursuant to the Issue, and the percentage of post-Issue share capital that may be held by them is set forth in "*Proposed Allottees in the Issue*" on page 233.

RELATED PARTY TRANSACTIONS

For details of the related party transactions during (i) Six months period ended September 30, 2021; (ii) Fiscal 2021; (iii) Fiscal 2020; and (iv) Fiscal 2019, as per the requirements under Ind AS 24, please see the section titled "*Financial Statements"* on page 234.

DIVIDENDS

The declaration and payment of dividends by our Company, if any, will be recommended by our Board and approved by our Shareholders at their discretion, subject to the provisions of the Articles of Association and the applicable laws, including the Companies Act. Our Board may also, from time to time, declare interim dividends. Our Board has approved and adopted a formal dividend distribution policy on May 12, 2021, in terms of Regulation 43A of the SEBI Listing Regulations. ("**Dividend Distribution Policy**").

In accordance with the Dividend Distribution Policy, the dividend pay-out shall be determined by our Board after taking into account a number of factors, including but not limited to, expected cash requirements towards working capital and capital expenditure, acquisitions, buy-back plans, minimum cash required for contingencies or unforeseen events, service any outstanding loans, liquidity and return ratios, changes in macro-economic environment affecting India or geographies in which the Company operates, changes in political, tax, regulatory changes and other factors that may be considered relevant from time to time.

The following table details the dividend declared and paid by our Company on the Equity Shares in the Fiscals 2021, 2020 and 2019, and in six months period ended September 30, 2021, as applicable:

Period	Face Value of Equity Share (in ₹)	Interim dividend per Equity Share (in ₹)	Final dividend per Equity Share (in ₹)	Total amount of dividend (interim and final) (in ₹ lakhs)	Dividend rate (%)	Dividend distribution tax (in ₹ lakhs)
Six months period ended September 30, 2021	-	-	-	-	-	-
Fiscal 2021	10	20.00	1.50	3,746.99	215	0.00
Fiscal 2020	10	0.00	3.00	522.60	30	107.42
Fiscal 2019	10	0.00	3.00	522.31	30	107.36

Investors are cautioned not to rely on past dividends as an indication of the future performance of our Company or for an investment in the Equity Shares offered in the Issue. The amounts paid as dividends in the past are not necessarily indicative of the dividend distribution policy of our Company or dividend amounts, if any, in the future. There is no guarantee that any dividends will be declared or paid in the future or that the amount thereof will not be decreased. The form, frequency and amount of future dividends declared by our Company will depend on a number of internal and external factors, including, but not limited to, the factors set out in the Dividend Distribution Policy and such other factors that the Board may deem relevant in its discretion, subject to the approval of our Shareholders.

The Equity Shares to be issued in connection with this Issue shall qualify for any dividend, including interim dividend, if any, that is declared in respect of the fiscal in which they have been allotted. For further information, please see the section entitled "*Description of the Equity Shares*" on page 215. For a summary of some of the restrictions that may inhibit our ability to declare or pay dividends, See, "*Risk Factors – We cannot assure you that our Company will declare dividends to its shareholders in the future as our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements*" on page 61.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations is based on, and should be read in conjunction with, the information in the section titled "Selected Financial Information" beginning on page 40 of this Preliminary Placement Document, and our Audited Consolidated Financial Statements and our Unaudited Condensed Consolidated Interim Financial Statements included in the section titled "Financial Statements" beginning on page 234 of this Preliminary Placement Document.

Our Audited Consolidated Financial Statements as at, and for, the fiscal years ended March 31, 2021, March 31, 2020 and March 31, 2019 and our Unaudited Condensed Consolidated Interim Financial Statements as at, and for, the six months period ended September 30, 2021, have been prepared in accordance with Ind AS, read with the Companies (India Accounting Standards) Rules, 2015 and restated in accordance with the SEBI ICDR Regulations. Ind AS differs in certain respects from IFRS and U.S. GAAP and other accounting principles with which prospective investors may be familiar. Accordingly, the degree to which financial statements included in this Preliminary Placement Document will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Preliminary Placement Document should accordingly be limited.

Statements in this Preliminary Placement Document that are not historical facts may be forward-looking statements. Such statements are subject to certain risks, uncertainties and assumptions that could cause our actual financial performance to differ materially from the conditions contemplated in such forward-looking statements. Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by us or any other person, or that these results will be achieved or are likely to be achieved. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors and contingencies that could affect our financial condition, results of operations and cash flows. You are advised to read the sections titled, "Forward-Looking Statements" and "Risk Factors" beginning on pages 19 and 47, respectively, which discuss a number of factors or contingencies that could affect our business, financial condition and results of operations. You are cautioned not to place undue reliance on these forward-looking statements.

Unless otherwise indicated, all industry and market data used in this section has been derived from the CRISIL Report prepared and released by CRISIL Research, and commissioned by us. Neither our Company nor the Book Running Lead Manager nor any other person connected with the Issue has independently verified such information. Unless otherwise indicated, all financial, operational, industry and other related information derived from the CRISIL Report, October 2021, and included herein with respect to any particular year refers to such information for the relevant calendar year.

Our financial year ends on March 31 of each year. Accordingly, all references to a particular financial year are to the 12-month period ended March 31 of that year.

In this section, unless the context otherwise requires, a reference to "our Company" is a reference to Saregama India Limited on a standalone basis, while any reference to "we", "us" or "our" refers to Saregama India Limited and its subsidiaries on a consolidated basis.

We are a leading Indian entertainment company with intellectual property rights in music, film, television and print media. (Source: CRISIL Report, October 2021). Our Company is the oldest music company in India. (Source: CRISIL Report, October 2021). We have one of the most extensive music libraries with a portfolio of approximately 130,000 songs. (Source: CRISIL Report, October 2021). We also have a film library that includes IP rights to 62 films out of which 16 films were released in last four years under the brand name Yoodlee Films. In television, we produce and own television serials in South Indian languages, and we have created over 6,000 hours of content for Sun TV over the last 20 years from 2001 to 2021. Our primary sources of revenue from license fees are from music streaming applications, social media platforms, video streaming platforms, broadcasting platforms, brands and societies. In addition, we retail music directly to consumers through our Carvaan audio player with pre-loaded music, of which we have sold over 25.25 lakh units since its launch in June 2017 to September 30, 2021.

Our music library includes the intellectual property right to the sound recordings (the masters) and publishing rights (musical compositions and lyrics). Our music library covers a variety of Indian languages including Hindi (over 38,900 songs), Bengali (over 26,600 songs), Tamil (over 11,800 songs), Marathi (over 6,300 songs), Telugu (over 8,100 songs), Malayalam (over 7,000 songs), Punjabi (over 8,400 songs) and Kannada (over 3,100 songs) as of September 30, 2021. Our music IP also includes over 18,300 devotional songs, 8,400 classical compositions, 1,200 ghazals and 4,700 folk songs as of September 30, 2021. Our library is entirely digitalized and each song has been enriched with metadata for search and analytical purposes.

Our consolidated revenue from licence fees has grown at a 20.01% CAGR over the past four fiscal years from Fiscal 2017 to Fiscal 2021. Our primary sources of revenue from license fees are from music streaming applications, social media platforms, video streaming platforms, broadcasting platforms, brands and societies.

- *Music Streaming Applications.* We license our music for online streaming to various Indian and international music streaming applications and platforms ("over-the-top media" or "OTT media"), We have licensing agreements with Spotify, Amazon Prime Music, YouTube Music, Apple Music, Pandora, Deezer, Resso, Wynk Music, Hungama Music and JioSaavn, amongst others.

- *Social Media Platforms.* We have licensing agreements with social media platforms include video sharing applications. On YouTube, as of September 30, 2021, we had 26 channels catering to different Indian languages and age groups. As of September 30, 2021, we had a cumulative subscriber base of 54.6 million subscribers on YouTube. Our monthly views on our YouTube channels averaged 3,004.12 million during the six months period ended September 30, 2021 and 8,018.89 million during Fiscal 2021. We also have licensing agreements with various other social media platforms and short-format video sharing applications including Facebook, Instagram, Josh, Moj and Triller, amongst others.

- *Video Streaming Platforms.* We have entered into license agreements with program producers on video steaming platforms, like Netflix, Disney+ Hotstar, Amazon Prime Video, Sony LIV, ALT Balaji and MX player amongst others. These platforms use our music in their original movies and digital series.

- *Broadcast Platforms.* Broadcast television channels in India use music in their television serials, reality shows and promotions. We have entered into license agreements with television channels for use of our music in their programs and these have grown from 236 in Fiscal 2017 to 358 in Fiscal 2021.

- *Brand License*. We license our music to brands for use in their advertisements shown, inter alia, on television, social media and radio.

- *Societies.* We also license our music library to a collective body, PPL, for public performance licensing of our music. We are also a member of IPRS, which issues music publishing licenses to users. We receive a share of the revenue generated from the issue of these licenses.

In addition to music licensing, we retail music directly to consumers through the sale of our Carvaan audio player product. Launched in 2017, our Carvaan audio player has inbuilt speakers and 5,000 preloaded songs, allowing customers to listen to music anytime without any advertising breaks. This product also provides bluetooth speaker and FM radio functionality. We have applied for patent protection for our Carvaan audio player in a number of countries. Our Carvaan audio player is being extended to a platform, which will support streaming of music and podcasts through a Wi-Fi based return path.

Yoodlee Films is our movie and digital web-series production arm that is focused on creating content targeted at younger audiences across the world who primarily consume content on personal devices. We monetize these movies primarily by licensing them for limited period to third-party digital platforms and Indian television channels. We also monetize the music used in this content through our music licensing arrangements. In addition, in some cases we license our movies to TVoD platforms and airlines. We have released 16 films in the last four years, of which 10 have been shown on Netflix, of which three Netflix originals, four have been shown on Disney+ Hotstar as Hotstar originals and two have been shown on Zee5. Yoodlee Films is currently concentrating production efforts on regional cinema with films being made in Malayalam, Marathi, Tamil, and Punjabi with leading talents in these languages to capitalize on the increased demand for regional content.

We also produce television series content for South Indian broadcast channels. We monetize these serials by selling of commercial times (advertising inventory) aired during our program on the particular television channel. We have created and have IP rights to over 6,000 hours of content for Sun TV over the last 20 years from 2001 to 2021. For example, in the month of September 2021, we provided around 37.5 hours of new content across 3 serials on Sun TV of which IP rights are owned by our Company. In addition to television, we also monetize our IP in these serials on other platforms like YouTube and Facebook.

Significant Factors Affecting Our Results of Operations

Our financial performance and results of operations are influenced by a variety of factors, including global and domestic competition for new content acquisition, changes in consumer spending and consumption patterns for music and entertainment, changes in general economic conditions. Some of the more important factors are discussed below, as well as in the section "*Risk Factors*" beginning on page 47.

Music Licensing Revenue

A significant portion of our financial performance has depended on, and will in the future continue to depend on, revenues from the licensing of rights to our music library of over 130,000 songs. Our music IP ownership includes the sound recordings (the masters) and publishing rights (musical composition and lyrics) across all media globally.

We licence our music for online streaming to various Indian and global music streaming platforms ("over-the-top media" or "OTT"), broadcast platforms (*e.g.*, television channels for use in various TV serials, reality shows, promotions, etc., and production houses for use in advertisements run on TV, digital and radio), video streaming platforms, social media platforms (*e.g.*, YouTube, Facebook and short-format video sharing apps) and collective body called Public Performance License (or PPL), which is responsible for issuing licenses for playing of music in public places and commercial premises. Our music IP ownership includes both the Master (actual song) and Publishing rights (lyrics and composition) across all media globally. Accordingly, all adaptions for any music owned by us by any music and video platform, whether it be on music streaming platforms, TV channels, web series, and brand advertisements, or elsewhere, will require that the third party enter into a licence agreement with us that provides for licence fee payments for such usage.

Our consolidated revenue from licence fees has grown at a 20.01% CAGR over the past four fiscal years from Fiscal 2017 to Fiscal 2021.We expect that our results of operations will continue to depend in large part on the continuing popularity of our music.

Technological developments and new trends

Our Company's financial performance has depended and will continue to depend on our ability to adapt to and incorporate technological advancements and new trends in the music and entertainment industries. We believe digital businesses will be a significant source of growth and will provide new opportunities to successfully monetize our assets and create new revenue streams. Over the last decade, media consumption has shifted dramatically from an ownership model, whereby consumers purchase physical media, to an access model that includes subscription and ad-supported streaming formats. We believe that streaming has and will continue to revolutionize the experience for Indian consumers and transform the Indian music and entertainment industry. Content owners will be well-positioned to take advantage of this opportunity. Accordingly, we have invested in data and analytics over the past several years to enhance our ability to assess the potential value of a song, film, artist or a library of songs, films or artists and therefore and to understand consumer trends, seasonal trends, marketing trends and a variety of other information. In addition, we are repositioning our Carvaan audio player, which was originally launched in 2017, as a platform that will support streaming of music and podcasts through a Wi-Fi based return path.

Acquisitions of Intellectual Property

One of our strategies is to expand our intellectual property portfolio with a focus on new film and music acquisitions across Hindi, Tamil and Telugu films and on acquisitions of non-film music across Punjabi, Bhojpuri, Gujarati, Haryanvi, Bengali and Hindi languages. We plan to continue to invest significantly in the creation and acquisition of new content. In this respect, we expend to incur significant costs to develop and market new content and to acquire content developed by others. We also intend to make strategic acquisitions of smaller Indian music labels and libraries where we believe there are opportunities to add existing underperforming music libraries to our own catalog and leverage off of our ability to monetize intellectual property rights to increase the value of such music IP assets. The production and distribution of music and entertainment content are inherently risky businesses because the revenue we derive and our ability to distribute our content depend primarily on consumer tastes and preferences that often change in unpredictable ways. The commercial success of our content will depend on our ability to consistently create and acquire content that meets the changing preferences of our customers.

Competition

The market for music and entertainment is intensely competitive and subject to rapid change. Consumer preferences are difficult to predict and can change suddenly. New music and other entertainment products and offerings are regularly introduced and compete for consumers' time and attention. Our business is dependent on our ability to continue to offer new and existing music and video content offerings that cater to consumer tastes and preferences. As a result, we must continuously invest in developing and acquiring new content. In addition to competition for consumer attention, we also compete with other entertainment companies to obtain original content projects, to acquire IP rights to existing content and for the exhibition of films in theatres and on demand, and the distribution of music, films and television serials on various distribution channels, including streaming and OTT service providers.

Competing offerings from other entertainment companies in India and globally may take a larger share of the leisure time and discretionary spending of consumers than expected. We may be required to incur additional expenditures to respond to consumer demands and other competitive factors. If we do not continue to develop and/or acquire consistently high-quality and well-received music, film and television content, if our marketing fails to resonate with our consumers, or if consumers lose interest in our music and video libraries, our revenues and results of operations may be affected.

Intellectual Property

Like other music and entertainment companies, our business is significantly dependent on the creation, acquisition, use and protection of intellectual property (IP). Our music library includes IP rights to the sound recordings (the masters) and publishing rights (musical composition and lyrics). Our video library includes IP rights to thousands of hours of movie, digital web-series and television serials content. We monetize our IP rights through licensing arrangements with third-party music streaming applications, social media platforms, video streaming platforms, broadcasting platforms and societies, and television broadcasters. We have also applied for patent protection for our Carvaan audio player.

Piracy, in particular, threatens to damage our business, as its fundamental proposition to consumers, *i.e.*, virtually all content for free, is difficult for us to compete against. We are actively engaged in enforcement of our copyright, trademark, patent, and trade secret rights against potential infringers of those rights. We employ technological protection measures to prevent piracy including sophisticated algorithms and software tools to actively monitor and protect against activities that might infringe, dilute or otherwise harm our copyright, trademarks and patents. Our anti-infringement team works with our content experts to constantly monitor usage of our music by third party applications, sites and videos across social media platforms and applications to catch any unauthorized usage. In addition, third-party platform providers typically incorporate technological protections and other security measures in their platforms to prevent the use of unlicensed products on those platforms. The process of protecting our IP rights is expensive and time-consuming. While we are aware that some unauthorized copying and piracy occurs, if a significantly greater amount of unauthorized copying or piracy of our music and video offerings were to occur, it could negatively impact our business.

COVID-19

The outbreak of the COVID-19 pandemic has caused substantial disruptions in international and Indian economies and markets. COVID-19 was recognized as a pandemic by the World Health Organization on March 11, 2020. In response to the COVID-19 outbreak, the governments of many countries, including India, have taken preventive or protective actions, such as imposing country-wide lockdowns, restrictions on domestic and international travel and business operations and advising or requiring individuals to limit their time outside of their homes.

In India, near the end of the financial year 2020, the GoI initiated a nation-wide lockdown from March 24, 2020, which was initially set for three weeks, but was subsequently extended to May 31, 2020. Further, a second wave of COVID-19 infections has impacted India in April, May and June 2021, resulting in the re-imposition of strict precautionary measures in various cities across India. The steps taken to counter the effects of the pandemic have resulted in a period of economic downturn and business disruption in India, which negatively affected our business.

COVID-19 has had an adverse impact on the entertainment industry overall and affected our operations in various ways since the end of financial year 2020. We experienced a disruption in our ability to develop and produce new films and television serials due to the COVID-19 lockdowns in India, which affected and/or delayed the roll out of new content across various media. In addition, as consumer retail activity was significantly disrupted due to the COVID-19 lockdowns, we experienced a negative impact on our retail sales of music products (*i.e.*, our Carvaan audio player). Our sales of products decreased from ₹20,622.68 lakh in Fiscal 2020 to ₹8,614.02 lakh in Fiscal 2021. Consequently, our inventory levels of our Carvaan increased during the pandemic as well. In response to the impact of the pandemic, we employed various measures, such as arranging and providing for facilities to allow for remote working for a portion of our workforce, periodic online sessions with doctors for employees and organizing a vaccination drive for our employees and their families.

With regard to content distribution, we have observed demand increases for streaming entertainment services in Fiscal 2020, accelerating a trend toward adoption of digital media as a primary form of consumption of media. Home and mobile consumption of digital media including video, music and games increased substantially in the period since the outbreak of the COVID-19 pandemic, as did the first-time users of digital media platforms. (*Source: CRISIL Report, October 2021*). Our profits before tax increased by 151.72% to ₹15,190.64 lakh in Fiscal 2021 from ₹6,034.77 lakh.

While various parts of the world, including India, have commenced calibrated easing of lockdown measures, the effectiveness of the countermeasures, the timing of how long the COVID-19 pandemic will last in general and the post-pandemic path to economic recovery are still uncertain. Accordingly, the full impact from the severe disruptions caused by the effective shutdown of large segments of the Indian and global economies remain unknown and no prediction can be made of when any of the restrictions still in place will be relaxed or expire, or whether or if further restrictions will be announced. The COVID-19 pandemic could continue to materially and adversely affect the Indian economy, which could create risks around our ability to create, produce and roll out new films and television serials (and accordingly new related music) and possibly lead to a further decline in our retail sales of Carvaan music products which, in turn, could have a negative impact on our Company's results of operations, cash flows and financial condition.

See, "*Our Business – Recent developments - Impact of COVID-19 Pandemic*" on page 164 for a discussion of the significant areas where we have seen an impact of the COVID-19 pandemic on our business and our approach on these areas going forward and "*Risk Factors – The impact of the COVID-19 pandemic is uncertain and still evolving, and could adversely affect our business, results of operations and financial condition*" on page 50 for risks of the COVID-19 pandemic on our operations and financial condition. To the extent the COVID-19 pandemic does adversely affect our business, financial condition or results of operations, it may also have the effect of heightening many of the factors listed in the section titled "*Risk Factors*".

Statement of Significant Accounting Policies

Critical estimates and judgements

The preparation of consolidated financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these consolidated financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed at each Balance Sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the consolidated financial statements.

The areas involving critical estimates or judgements are:

- Employee benefits (estimation of defined benefit obligations)

Post-employment benefits represent obligations that will be settled in future and require assumptions to estimate benefit obligations. Post-employment benefit accounting is intended to reflect the recognition of benefit costs over the employees' approximate service period, based on the terms of the plans and the investment and funding decisions made. The accounting requires the Group to make assumptions regarding variables such as discount rate and salary growth rate. Changes in these key assumptions can have a significant impact on the defined benefit obligations.

- Impairment of trade receivables

For impairment of trade receivable, Group applies the simplified approach permitted by Ind AS 109,'Financial Instruments', which requires expected lifetime losses to be recognised from initial recognition of the receivables.

- Estimation of expected useful lives of property, plant and equipment

Management reviews its estimate of useful lives of property, plant and equipment at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of property, plant and equipment.

- Contingencies

Legal proceedings covering a range of matters are pending against the Group. Due to the uncertainty inherent in such matters, it is often difficult to predict the final outcome. The cases and claims against the Group often raise factual and legal issues that are subject to uncertainties and complexities, including the facts and circumstances of each particular case/claim, the jurisdiction and the differences in applicable law. The Group consults with legal counsel and other experts on matters related to specific litigations where considered necessary. The Group accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated. In the event an adverse outcome is possible or an estimate is not determinable, the matter is disclosed.

- Valuation of deferred tax assets

Deferred income tax expense is calculated based on the differences between the carrying value of assets and liabilities for financial reporting purposes and their respective tax bases that are considered temporary in nature. Valuation of deferred tax assets is dependent on management's assessment of future recoverability of the deferred tax benefit. Expected recoverability may result from expected taxable income in the future, planned transactions or planned optimising measures. Economic conditions may change and lead to a different conclusion regarding recoverability.

- Fair value measurements

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair values are measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

Estimation of uncertainties relating to the global health pandemic from COVID-19:

In view of pandemic relating to COVID – 19, the Group has considered internal and external information available up to the date of approval of these consolidated financial statements and has performed analysis in assessing the recoverability of its assets including trade receivables, inventories, investments, other financial and non-financial assets, for possible impact on these consolidated financial statements. The Group has also assessed the impact of this whole situation on its capital and financial resources, profitability, liquidity position, etc. On the basis of its present assessment and current indicators of future economic conditions, the Group does not anticipate any material impact on these consolidated financial statements. However, the actual impact of COVID – 19 on the Group's financial statements may differ from that estimated and the Group will continue to closely monitor any material changes to future economic conditions.

Basis of the Presentation

Basis of measurement

- Historical cost convention

  The consolidated financial statements have been prepared on a historical cost basis, except for the following:

  - Certain financial assets and liabilities (including derivative instruments) that is measured at fair value;

- Net Defined benefit (assets)/liability – Fair value of plan assets less present value of defined benefit obligations; and

- Share based payments

- <u>Functional and presentation currency</u>

  Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the Parent Company operates (`the functional currency'). The consolidated financial statements are presented in Indian Rupee (Rs.), which is the Group's functional and presentation currency.

Current Versus Non-current Classification

All assets and liabilities have been classified as current or non current as per the Group's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013 and Ind AS 1 - Presentation of financial statement based on the nature of products / service and the time between the acquisition of assets for processing / providing the services and their realisation in cash and cash equivalents. The Group has ascertained its operating cycle as 12 months for the purpose of current, non current classification of assets and liabilities.

<u>Assets</u>

An asset is classified as current when it satisfies any of the following criteria:

(a) it is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle;

(b) it is held primarily for the purpose of being traded;

(c) it is expected to be realised within 12 months after the reporting date; or

(d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

<u>Liabilities</u>

A liability is classified as current when it satisfies any of the following criteria:

(a) it is expected to be settled in the Group's normal operating cycle;

(b) it is held primarily for the purpose of being traded;

(c) it is due to be settled within 12 months after the reporting date; or

(d) the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Principles of consolidation and equity accounting

<u>Subsidiaries</u>

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

Joint arrangements

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligation of each investors, rather than the legal structure of the joint arrangement. The Group has one joint venture, Saregama Regency Optimedia Private Limited (SROPL), which is under liquidation with effect from 19 September 2016. Accordingly, this entity has not been consolidated by the Group.

Joint ventures

Interest in joint ventures are accounted for using the equity method (see below), after initially being recognised at cost in the consolidated balance sheet.

Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its joint venture are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provide evidence of an impairment of the asset transferred. Accounting policies of equity accounted investee have been changed where necessary to ensure consistency with the policies adopted by the group.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The chief operating decision maker is responsible for allocating resources and assessing performance of the operating segments and has been identified as the Chief Financial Officer of the Group. Refer note 41 for segment information presented.

Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian Rupee (Rs.), which is Parent Company's functional and presentation currency.
Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in profit or loss.

Foreign currency non-monetary items carried in terms of historical cost are reported using the exchange rate at the date of the transactions.

<u>Group Companies</u>

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into presentation currency as follows:

- Assets and liabilities are translated at the closing rate at the date of that balance sheet.
- Income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses.
- All resulting exchange differences are recognised in other comprehensive income.

Revenue recognition

The Group has applied Ind AS 115, Revenue from Contracts with Customers, which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those products or services.

- Revenue from the sale of products is recognised at the point in time when control is transferred to the customer. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.
- Revenue from Music licensing where the customer obtains a "right to use" is recognized at the time the license is made available to the customer. Revenue from licenses where the customer obtains a "right to access" is recognized over the access period.
- Revenue from the sale of television serial episodes is recognised upfront at the point in time when the episode is delivered to the customer.
- Revenue from sale of free commercial time (net of trade discount, as applicable) are recognised when the related advertisement or commercials appears before the public, i.e. on telecast.
- Revenue from theatrical distribution is recognised on exhibition of films. In case of distribution through theatres, revenue is recognised on the basis of box office reports received from various exhibitors. Contracted minimum guarantees are recognised on theatrical release.
- Revenue from Sale of films rights are recognised on assignment of such rights as per terms of the sale/licencing agreements.
- Revenue from current affairs and features magazine is recognised in the period in which the magazines are sold and are accounted for net of commission and discounts. Revenue from subscription to the Group's print publications is recognised as earned, prorata on a per issue basis over the subscription period.

The billing schedules agreed with customers include periodic performance based payments and / or milestone based progress payments. Invoices are payable within contractually agreed credit period.

Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Use of significant judgements in revenue recognition

The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as how customer consumes benefits as services are rendered, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc. Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, price concessions and incentives.

Interest income

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable.

Dividend income

Dividend income from investments is recognised when the shareholder's rights to receive payment have been established.

Rental income

Rental income from investment properties and subletting of properties is recognised on a straight line basis over the term of the relevant leases.

Government Grant

The Group may receive government grants that require compliance with certain conditions related to the Group's operating activities or are provided to the Group by way of financial assistance on the basis of certain qualifying criteria.

Accordingly, government grants by way of financial assistance on the basis of certain qualifying criteria are recognised as they become receivable.

Property plant and equipment – (PPE)

All items of property, plant and equipment other than freehold land are stated at historical cost i.e. cost of acquisition/construction or at deemed cost as on the date of transition to Ind AS less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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 Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to statement of profit or loss during the reporting period in which they are incurred.

Revaluation of Land is made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet date. When the fair value differs materially from its carrying amount, the carrying amount is adjusted to the revalued amount. The fair value is determined based on appraisal undertaken by a professionally qualified valuer.

Depreciation method, estimated useful lives and residual values

Depreciation is calculated on a pro-rata basis using the straight-line method to allocate their cost, net of their estimated residual values, over the estimated useful lives of the asset as prescribed under Schedule II to the Companies Act, 2013.

The useful lives, residual values and the method of depreciation of property, plant and equipment are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amounts.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in profit or loss within 'Other Income'/'Other Expenses'.

Advances paid towards the cost of property, plant and equipment outstanding at each balance sheet date is classified as 'Capital advances' under other non- current assets.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Investment properties

Properties that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that the future economic benefits associated with the expenditure will flow to the Group and the cost of item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

Investment properties are depreciated using the straight-line method over their estimated useful lives of the assets as prescribed under Schedule II to the Companies Act, 2013.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its investment properties recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of investment properties.

Intangible assets

Intangible assets has a finite useful life and are stated at cost less accumulated amortisation and accumulated impairment losses, if any.

(i) Music copyrights

Outright acquisition of music copyrights wherein future economic benefits are established are capitalised. They have finite useful lives and are subsequently carried at cost less accumulated amortisation and impairment losses.

(ii) Computer software

Software for internal use, which is primarily acquired from third-party vendors is capitalised. Subsequent costs associated with maintaining such software are recognised as expense as incurred. Cost of software includes license fees and cost of implementation/system integration services, where applicable.

Amortisation method and year

The Group amortises intangible assets with a finite useful lives using the straight-line method over the following periods:

Music Copyrights acquired through outright purchase are amortised over a period of one to ten years from the date of release of Music. The Group reviews the expected future revenue potential at the end of each accounting period and recognises impairment loss, where required.

Softwares are amortised on a straight line basis over a period of three years from the date of capitalisation.

Advances paid towards the cost of intangible assets outstanding at each balance sheet date is classified as 'Capital advances' under other non- current assets.

<u>Transition to Ind AS</u>

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its intangible assets recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

Impairment of non-financial assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units).

Leases

<u>The Group as a lessee</u>

The Group's lease asset classes primarily consist of leases for buildings and vehicles. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii)the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("**ROU**") and a corresponding lease liability for all lease arrangements in which it is a lessee.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e., the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

The Group has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Group as a lessor

At the inception of the lease the Group classifies each of its leases as either an operating lease or a finance lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

Transition to Ind AS 116

Ministry of Corporate Affairs ("**MCA**") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

Under the erstwhile standard Ind AS 17, operating lease payments as per terms of the agreement, were recognised as an expense in the Statement of Profit and Loss on a straight line basis, except where another systematic basis was more representative of the time pattern in which economic benefits from the leased asset were consumed.

Effective 01 April 2019, the Group adopted Ind AS116 ''Leases" and applied the standard to lease contracts existing on 01 April 2019 using the modified retrospective method on the date of initial application. Consequently, the lease liabilities is recognized at the present value of lease payment discounted at the weighted average incremental borrowing rate and same amount is recognized for ROU assets.

The following is the summary of practical expedients elected on initial application:

- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

- Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term and low value leases on the date of initial application.

- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

- Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

Inventories

Physical inventory (caravan, music card and others): Inventories are valued at lower of cost and net realisable value. The cost is determined on weighted average basis, and includes, where applicable, appropriate share of overheads. Provision is made for obsolete / slow moving / defective stocks, where necessary. The costs of purchase of inventories comprise the purchase price, import duties and other taxes (other than those subsequently recoverable by the entity from the taxing authorities), and transport, handling and other costs directly attributable to the acquisition of finished goods.

Media Content is expensed/amortised as under:

(a) Television serials: Cost of a television serial is fully expensed on telecast/broadcasting.

(b) Digital films: 10% of cost of digital films is recognised as expense in Statement of Profit and Loss on the date of theatrical release of the film, balance is charged off on licencing of digital rights.

Media cost includes cost of acquisition / direct production cost / royalty. Television serials/Digital films under production are included under 'Work-in-Progress'. Media Content are stated at lower of cost, realisable value or revenue potential.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Investments (other than investments in subsidiaries) and other financial instruments

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss);

- those to be measured at amortised cost; and

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. In accordance with Ind AS 101, the Group had irrevocably designated its investment in equity instruments as FVOCI on the date of transition to Ind AS.

(ii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Equity Instruments: The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Changes in the fair value of financial assets at fair value through profit or loss are recognised in the Statement of Profit and Loss.

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method.

(iii) Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets which are not fair valued through profit or loss. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 33(A) details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables only, the Group applies the simplified approach as per Ind AS 109,'Financial Instruments', which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(iv) Derecognition of financial assets

A financial asset is derecognised only when

- the Group has transferred the rights to receive cash flows from the financial asset; or

- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised.

Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(v) Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL.

(vi) Financial liabilities through fair value through profit or loss (FVTPL)

A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

(vii) Financial liabilities at amortised cost

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit and Loss.

Any gain or loss on derecognition is also recognised in Statement of Profit and Loss.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximates fair value due to the short maturity of these instruments.

(viii) Fair value of financial instruments

In determining the fair value of financial instruments, the Group uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis and available quoted market prices. All methods of assessing fair value result in general approximation of value, and such value may never actually be realised.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

Trade receivables

Trade receivables are amounts due from customers for goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

Trade payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred, unless they are capitalised.

Foreign currency transactions and translation

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. At the year-end, monetary assets and liabilities denominated in foreign currencies are restated at the year - end exchange rates. The exchange differences arising from settlement of foreign currency transactions and from the year-end restatement are recognised in profit and loss.
Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Foreign currency non-monetary items carried in terms of historical cost are reported using the exchange rate at the date of the transactions.

Employee benefits expense

(i) Short-term employee benefits

Liabilities for short-term employee benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as 'Employee Benefits Payable' within 'Other Current Liabilities' in the Balance Sheet.

(ii) Other long-term employee benefits

The liabilities for leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured annually by actuaries as the present value of expected future benefits in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

(iii) Post-Employment Benefits

Defined Benefit Plans

The liability or asset recognised in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in 'Employee Benefits Expense' in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in Other Comprehensive Income. These are included in 'Retained Earnings' in the Statement of Changes in Equity in the balance sheet.

Defined Contribution Plans

The Group has certain defined contribution plans viz. provident fund and superannuation fund. Contributions for provident fund are made at specified percentage of the covered employee's qualifying salary to a government administered fund. Contribution for superannuation fund are made yearly based on a specified percentage of each covered employee's salary to a Trust set up by the Group. Contributions under Defined Contribution Plans are recognised as expenses for the period in which the employee has rendered the service.

(iv) Share-based payments

Share-based compensation benefits are provided to employees via Saregama Employee Stock Options Scheme 2013, Stock Appreciation Rights Scheme 2014.and Stock Appreciation Rights Scheme 2018.

Employee Options

The fair value of the options granted under the Saregama Employee Stock Option Scheme 2013 is recognised as an employee benefits expense in the statement of profit and loss with a corresponding adjustments to equity. The fair value at grant date is determined using the Black Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and risk free interest rate for the term of the option. The total amount to be expensed is determined by reference to the fair value of the options granted:

- Including any market performance conditions (e.g., the entity's share price);
- excluding the impact of any services and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining and employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holdings shares for a specified period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in the statement of profit or loss, with a corresponding adjustment to equity.

Share appreciation rights

Liabilities for the Parent Company's Share Appreciation Rights (SAR), granted pursuant to Parent Company's share appreciation rights schemes, is measured initially and at the end of each reporting period until settled, at fair value of the SAR, by applying option pricing model, and is recognised as employee benefit expense over the relevant service period. The liabilities are presented as employee benefits obligations in the balance sheet.

Royalty

Minimum Guarantee Royalty is recognised as expense within the license period or ten years, whichever is earlier. Royalty on sales, other than physical sales, is provided on the basis of management's best estimate of the expenditure required to settle the obligation. Other royalty payments are charged at agreed rates on related sales.

Income tax

The income tax expense for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax credits and to unused tax losses, as applicable.

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, if any, only if it is probable that future taxable amounts will be available to utilise those temporary differences, tax credits and losses.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be utilised. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax are recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity, if any. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Provisions and contingencies

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

A disclosure for contingent liabilities 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 Group 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 the amount cannot be made.

Dividend Distribution

Dividends paid are recognised in the period in which the interim dividends are approved by the Board of Directors, or in respect of the final dividend when approved by shareholders.

Earnings per share

(i) Basic earnings per Share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year excluding treasury shares

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

Changes in the accounting policy if any in the last three years and their effect on our profits and reserves

There have been no changes in accounting policies of the Company during the last three financial years except for adoption of new standards i.e. Ind AS 115, 'Revenue from Contracts with Customers' effective April 1, 2018 and Ind AS 116 'Leases' effective April 1, 2019 or amendments to the existing standards as notified by Ministry of Corporate Affairs ("**MCA**") from time to time to the extent applicable to the Company.

Operating Measures (OIBCID and OIBCID Margin)

We evaluate our operating performance based on several factors including our primary operating measure, which is operating income before Content Charges (as defined below), interest and depreciation and amortization expenses ("**OIBCID**"). Over the last few years, we have started increasing our investment in acquisition of new music, both film and non-film content, and other IP (the "**Content**"). On release of music, we typically charge off the costs relating to content acquisition which forms part of depreciation and amortisation expense and also marketing costs, which form part of our advertisement and sales promotion expense. These are variable costs depending on the Content acquisitions made and, accordingly, the Content Charge from one period to another period varies based on the Content acquired and released by us during the particular period. Further, Content acquisition is dependent on various external factors including the availability of new Content, the timing of the release of Content and various market driven factors which are not necessarily under our control. Accordingly, we believe that OIBCID is an important measure to monitor our operating performance year-on-year. In that regard, OIBCID should be considered in addition to, not as a substitute for, operating income, profit after tax of our Company and other measures of financial performance reported in accordance with Ind AS.

The following table sets forth our OIBCID on a consolidated basis as derived from our profit for the period/year, and the manner in which it is calculated for the six months period ended September 30, 2021 and September 30, 2020, Fiscal, 2021, Fiscal 2020 and Fiscal 2019, and includes a reconciliation of OIBCID and OIBCID Margin to our profits in each of the six months period ended September 30, 2021 and September 30, 2020, Fiscal 2021, Fiscal 2020 and Fiscal 2019.

Content Charges: Content Charges consist of (1) amount amortised against the minimum guarantee advance paid in case of royalty based deals, (2) amount amortised against the one-time fee paid in case of outright purchase based deals, (3) marketing of new content. Content charges does not include any royalty paid post recoupment of the minimum guarantee.

OIBCID Margin: OIBCID Margin is a percentage margin derived by dividing OIBCID by revenue from operations.

(₹ in lakh)

Particulars	As of, or for the six months period ended,		As of, or for the fiscal year ended,		
	September 30, 2021	**September 30, 2020**	**March 31, 2021**	**March 31, 2020**	**March 31, 2019**
Revenue from operations (A)	**25,004.71**	**18,459.67**	**44,196.26**	**52,147.49**	**54,471.98**
Profit for the period/year (B)	**6,113.41**	**4,468.57**	**11,346.46**	**4,349.45**	**5,432.66**
Add: Tax expense (C)	2,098.72	1,556.46	3,844.18	1,685.32	3,035.31
Profit before tax, as restated (D=(B+C))	**8,212.13**	**6,025.03**	**15,190.64**	**6,034.77**	**8,467.97**
Add: Content Charges* (E)	1,818.13	583.89	1,792.50	1,755.67	991.20
Add: Finance costs (F)	209.16	176.29	345.07	671.47	656.03
Add: Depreciation and amortization expenses (G)	120.24	134.92	263.31	283.76	170.30
(Less): Other income (H)	(795.30)	(881.17)	(3,085.57)	(1,122.90)	(2,422.30)
OIBCID (I+(D+E+F+G+H)	**9,564.36**	**6,038.96**	**14,505.95**	**7,622.77**	**7,863.20**
OIBCID Margin (J=(I/A)%)	38.25%	32.71%	32.82%	14.62%	14.44%

*Content charges consist of (1) amount amortised against the minimum guarantee advance paid in case of royalty based deals, (2) amount amortised against the one-time fee paid in case of outright purchase based deals, (3) marketing of new content. Content charges does not include any royalty paid post recoupment of the minimum guarantee.

Our OIBCID and OIBCID Margin have been improving over the last three fiscal years and for the six months period ended September 30, 2021, primarily due to an increase in higher margin licence fees income, particularly since Fiscal 2021.

Non-GAAP Financial Measures

In addition to our results determined in accordance with Ind AS, we believe the following non-GAAP financial measures are useful to our Company and our investors as a means of assessing and evaluating our operating performance in comparison to prior periods: Adjusted Debt/Equity Ratio, EBIT, Adjusted Interest Coverage Ratio, Return on Net Worth, ROCE, Capital Employed, Net Worth, Adjusted Profit, Adjusted Interest. We classify a financial measure as being a non- GAAP financial measure if that financial measure excludes or includes amounts, or is subject to adjustments that have the effect of excluding or including amounts, that are not included or excluded in the most directly comparable measure calculated and presented in accordance with Ind-AS as in effect from time to time in our financial statements. The non-GAAP financial measures are supplemental measures that are not required by, or are not presented in accordance with, Ind-AS. Non-GAAP financial measures do not include operating, other statistical measures or ratios calculated using exclusively financial measures calculated in accordance with Ind-AS. Moreover, the way we calculate the non-GAAP financial measures may differ from that of other companies reporting measures with similar names, which may limit these measures' usefulness as a comparative measure. Our management believes these non-GAAP financial measures are useful to compare general operating performance from period to period and to make certain related management decisions. We believe that non-GAAP financial information, when taken collectively with financial measures prepared in accordance with Ind AS, may be helpful to investors because it provides an additional tool for investors to use in evaluating our ongoing operating results and trends and in comparing our financial results with other companies in our industry because it provides consistency and comparability with past financial performance. However, our management does not consider these non-GAAP measures in isolation or as an alternative to financial measures determined in accordance with Ind AS.

Non-GAAP financial information is presented for supplemental informational purposes only, has limitations as an analytical tool and should not be considered in isolation or as a substitute for financial information presented in accordance with Ind AS. Non-GAAP financial information are not recognized under Ind AS and do not have standardized meanings prescribed by IND AS. In addition, non-GAAP financial measures used by us may differ from similarly titled non-GAAP measures used by other companies. The principal limitation of these non-GAAP financial measures is that they exclude significant expenses and income that are required by Ind AS to be recorded in our financial statements, as further detailed below. In addition, they are subject to inherent limitations as they reflect the exercise of judgment by management about which expenses and income are excluded or included in determining these non-GAAP financial measures. A reconciliation is provided below for each non-GAAP financial measure to the most directly comparable financial measure prepared in accordance with Ind AS. Investors are encouraged to review the related Ind AS financial measures and the reconciliation of non-GAAP financial measures to their most directly comparable Ind AS financial measures included below and to not rely on any single financial measure to evaluate our business.

Earnings Before Interest and Tax Expense ("EBIT"): Earnings Before Interest and Tax Expense is profit for the period/year before tax expense and finance costs.

Net Worth: Net Worth is the sum of (i) issued, subscribed and paid-up equity share capital at the end of the year, (ii) general reserve as at the end of the year, (iii) securities premium reserve as at the end of the year, and (iv) retained earnings as at the end of the year.

Capital Employed: Capital Employed is Net Worth plus borrowing.

Return on Net Worth: Return on Net Worth is profit after tax divided by Net Worth.

Return on Capital Employed ("ROCE"): Return on Capital Employed is Earnings Before Interest and Tax Expense divided by Capital Employed.

Adjusted Debt/Equity Ratio: Adjusted Debt/Equity Ratio is debt divided by Net Worth.

(₹ in lakh)

Particulars	As of, or for the six months period ended,		As of, or for the fiscal year ended,		
	September 30, 2021	September 30, 2020	March 31, 2021	March 31, 2020	March 31, 2019
Profit for the period/year (A)	**6,113.41**	**4,468.57**	**11,346.46**	**4,349.45**	**5,432.66**
Add: Total tax expense (B)	2,098.72	1,556.46	3,844.18	1,685.32	3,035.31
Add: Finance costs (C)	209.16	176.29	345.07	671.47	656.03
Earnings Before Interest and Tax Expense (D=A+B+C)	**8,421.29**	**6,201.32**	**15,535.71**	**6,706.24**	**9,124.00**
Net Worth {E=(1+2+3+4)}	**40,322.32**	**30,601.84**	**34,075.36**	**26,474.45**	**22,752.61**
Issued subscribed and fully paid up equity share capital (1)	*1,743.00*	*1,742.80*	*1,742.80*	*1,742.60*	*1,741.05*
General reserve (2)	*693.95*	*693.95*	*693.95*	*693.95*	*693.95*
Securities premium reserve (3)	*10,281.78*	*10,277.11*	*10,277.11*	*10,272.44*	*10,252.72*
Retained earnings (4)	*27,603.59*	*17,887.98*	*21,361.50*	*13,765.46*	*10,064.89*
Borrowing (F)	**0.00**	**0.00**	**0.00**	**923.22**	**6,376.53**
Capital Employed (G=E+F)	**40,322.32**	**30,601.84**	**34,075.36**	**27,397.67**	**29,129.14**
Return on Net Worth (H=(A/E)%)	15.16%	14.60%	33.30%	16.43%	23.88%
Return on Capital Employed (I=(D/G)%)	20.88%	20.26%	45.59%	24.48%	31.32%
Adjusted Debt /Equity Ratio (J=F/E)	0	0	0	0.03	0.28

Our Return on Net Worth decreased to 16.43% in Fiscal 2020 from 23.88% in Fiscal 2019. This was due to profit for the year in Fiscal 2020 which reduced to ₹4,349.45 lakhs from ₹5,432.66 lakhs in Fiscal 2019. In Fiscal 2021, Return on Net Worth improved to 33.30%. This was due to profit for the year of ₹11,346.46 lakhs in Fiscal 2021.

The higher profit was on account of a substantial reduction in operating and other indirect cost in Fiscal 2021. For the same reasons, our Return on Capital Employed decreased in Fiscal 2020 and thereafter improved in Fiscal 2021.

Our Adjusted Debt/Equity ratio has improved over the last three fiscal years and for the six months period ended September 30, 2021, primarily due to the full repayment of our secured bank borrowings and unsecured inter-corporate deposits in Fiscal 2021. As of September 30, 2021, we had no outstanding consolidated borrowings.

Income and Expenses

Our income and expenditure are reported in the following manner:

Income

Total income consists of revenue from operations and other income.

Revenue from operations. Revenue from operations mainly comprises of revenue from sales of products and sales of services. Sales of products consists of sales of physical media (including through our Carvaan audio player). Sales of services consists of income from revenue from the music licensing, revenue from the sales and licensing of our films and television serials, revenue from the sale of advertising inventory available during our television serials, and revenue from the sales of our magazine publications. We enter into license agreements with music streaming applications and platforms, social media platforms, video streaming platforms, broadcasting platforms and copyright societies to make our music and audio-visual content available for access in digital formats (*e.g.*, streaming and downloads). Streaming services stream our Company's music and other audio-visual content and pay royalties to us. We also receive royalties from the use of sound recordings in combination with visual images (such as in films or television programs and television commercials), and if sound recordings are played in public spaces (such as shops, restaurants, bars and clubs). We also receive revenue from the sales of commercial times (advertising inventory) available during the airing of our programs on the particular television channel.

Other Income. Other income primarily comprises of recurring income like interest from banks and dividend income from equity investments designated at FVOCI, rental income on investment properties, and non-recurring income such as profits on sales of investments in mutual funds and property plant and equipment, and other miscellaneous income.

Expenses

Total expenses comprise of cost of materials consumed/contract manufacturing charges, cost of production of films and television serials, changes in inventories of finished goods and work-in-progress, employee benefits expenses, finance costs, depreciation and amortisation expenses and other expenses.

Cost of Materials Consumed / Contract Manufacturing Charges. Cost of materials consumed/Contract manufacturing charges comprises costs incurred in connection with purchases of Carvaan and related products for the purpose of sale and it includes all direct costs incurred in the course of such procurement, such as customs duties, freight, clearing and forwarding charges, etc., for the reporting period.

Cost of Production of Films and Television Serials. Cost of production of films and television serials comprises costs incurred in connection with the production of films and television serials, including all incidental costs incurred in the course of line production of films and television serials, such as, artist costs, rent of location, writers' costs, camera men, etc.

Changes in Inventories of Finished Goods and Work-in-Progress. Changes in inventories of finished goods and work-in-progress comprises of the difference in closing balance vis-à-vis opening balance of finished goods, stock-in-trade and work-in-progress.

Employee Benefits Expenses. Employee benefits expenses comprise of salaries, wages and bonus, contribution to provident and other funds, share based payment expenses and staff welfare expenses.

Finance Costs. Finance costs comprise of interest on financial liabilities measured at amortized cost and other borrowing costs.

Depreciation and Amortisation Expenses. Depreciation and amortisation expenses comprise of depreciation on property plant and equipment, depreciation on right-of-use assets, amortisation of intangible assets and depreciation on investment properties.

Other Expenses. Other expenses primarily comprise of advertisement and sales promotion expenses, royalties, legal and consultancy expenses, carriage, freight and forwarding charges, rent, printing and communication expenses and other miscellaneous expenses.

Segmental Information

Basis for segmentation

Our Company has three reporting segments, namely (i) Music, (ii) Film/TV Serials, and (iii) Publication. The Music segment includes the business of manufacturing and sale of music storage devices (i.e., Carvaan, music cards, etc.) and dealing with related music rights. The Film/TV Serials segment includes the production and sale/telecast/broadcast of films/TV serials, pre-recorded programs and dealing in film rights. The Publication segment includes its magazine publication business.

Revenue/results information

The following table sets out the consolidated segment revenue and results across our primary reportable segments:

(₹ in lakh)

Particulars	For the six months period ended September 30, 2021	For the six months period ended September 30, 2020	For Fiscal 2021	For Fiscal 2020	For Fiscal 2019
Segment Revenue:					
(i) Music	21,337.97	16,998.83	38,547.46	44,434.49	48,968.55
(ii) Film/TV Serials	3,428.07	1,251.00	5,210.37	7,025.00	4,764.59
(iii) Publication	238.67	209.84	438.43	688.00	738.84
Total Segment Revenue	**25,004.71**	**18,459.67**	**44,196.26**	**52,147.49**	**54,471.98**
Segment Results:					
(i) Music	10,318.48	8,909.42	18,794.72	9,055.51	12,278.02
(ii) Film/TV Serials	426.79	(444.21)	(3.85)	915.11	(32.37)
(iii) Publication	(615.23)	(649.72)	(1,203.24)	(1,291.80)	(1,029.62)
	10,130.04	7,815.79	17,587.63	8,678.82	11,216.03
Finance costs	(209.16)	(176.29)	(345.06)	(671.47)	(656.03)
Other unallocated expenditure (net of unallocated income)	(1,708.75)	(1,614.17)	(2,051.93)	(1,972.58)	(2,092.03)
Profit before tax	**8,212.13**	**6,025.03**	**15,190.64**	**6,034.77**	**8,467.97**
Taxes	**(2,098.72)**	**(1,556.46)**	**(3,844.18)**	**(1,685.32)**	**(3,035.31)**
Profit for the period/year	**6,113.41**	**4,468.57**	**11,346.46**	**4,349.45**	**5,432.66**

Assets/liabilities information

The following table sets out segment wise assets and liabilities.

(₹ in lakh)

Particulars	As at September 30, 2021	As at March 31,		
		2021	2020	2019
Segment Assets:				
(i) Music	45,519.03	40,156.00	42,878.18	45,015.03
(ii) Film/TV Serials	6,714.77	5,724.00	5,489.14	5,340.33
(iii) Publication	560.40	456.05	466.19	517.00
(iv) Unallocated assets	38,858.26	32,064.15	13,141.67	20,007.55

Particulars	As at September 30, 2021	As at March 31,		
		2021	2020	2019
Total	**91,652.46**	**78,400.20**	**61,975.18**	**70,880.18**
Segment Liabilities:				
(i) Music	18,186.37	16,458.73	14,373.45	12,644.74
(ii) Film/TV Serials	1,050.00	909.00	826.56	824.16
(iii) Publication	354.12	285.02	297.86	326.34
(iv) Unallocated liabilities	7,357.77	9,828.69	6,373.68	14,014.81
Total	**26,948.26**	**27,508.44**	**21,871.25**	**27,810.05**

The following table sets out segment wise additions to non-current assets other than financial assets.

(₹ in lakh)

Particulars	For the six months period ended September 30, 2021	For Fiscal 2021	For Fiscal 2020	For Fiscal 2019
(i) Music	1,143.04	1,012.00	734.19	2,108.92
(ii) Film/TV Serials	30.36	17.37	5.42	6.76
(iii) Publication	9.55	9.75	1.07	3.15
(iv) Unallocated assets	995.26	187.71	125.94	-
Total	**2,178.21**	**1,226.83**	**866.62**	**2,118.83**

Geographic information

The geographic information analyses our revenues by our country of domicile and other countries. In presenting geographic information, segment revenue has been based on the location of the customers.

(₹ in lakh)

Revenue from external customers	For the six months period ended September 30, 2021	For the six months period ended September 30, 2020	For Fiscal 2021	For Fiscal 2020	For Fiscal 2019
India	16,241.26	12,709.66	33,687.79	41,429.65	46,108.15
Outside India	8,763.45	5,750.01	10,508.47	10,717.84	8,363.83
Total	25,004.71	18,459.67	44,196.26	52,147.49	54,471.98

The following table sets out the total segment assets broken down by location of the assets.

Non-current assets*	As at September 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
India	25,879.81	23,898.31	22,156.26	21,680.47
Outside India	-	-	-	-
Total	25,879.81	**23,898.31**	**22,156.26**	**21,680.47**

* Excluding financial instruments, etc. as defined under Indian Accounting Standard 108: Operating Segments

Our Results of Operations for the Six Months Period Ended September 30, 2021 Compared to Six Months Period Ended September 30, 2020

The following table sets forth financial data from our unaudited condensed consolidated interim statement of profit and loss for the six months period ended September 30, 2021 and September 30, 2020, the components of which are also expressed as a percentage of total income for such periods:

	Six Months Period Ended			
	September 30, 2021		September 30, 2020	
	(₹ in lakh)	*(% of Total Income)*	*(₹ in lakh)*	*(% of Total Income)*
Income:				
Revenue from operations	25,004.71	96.92	18,459.67	95.44
Other income	795.30	3.08	881.15	4.56
Total Income	**25,800.01**	**100.00**	**19,340.82**	**100.00**
Expenses:				

	Six Months Period Ended			
	September 30, 2021		September 30, 2020	
	(₹ in lakh)	*(% of Total Income)*	*(₹ in lakh)*	*(% of Total Income)*
Cost of materials consumed / Contract manufacturing charges	1,983.96	7.69	86.49	0.45
Cost of production of films and television serials	3,989.16	15.46	1,410.67	7.29
Changes in inventories of finished goods and work-in-progress (increase)/decrease	(1,066.29)	(4.13)	1,001.20	5.18
Employee benefits expenses	3,750.15	14.54	3,540.84	18.31
Finance costs	209.16	0.81	176.29	0.91
Depreciation and amortisation expense	506.04	1.96	253.07	1.31
Other expenses	8,215.70	31.84	6,847.23	35.40
Total Expenses	**17,587.88**	**68.17**	**13,315.79**	**68.85**
Profit before tax	**8,212.13**	**31.83**	**6,025.03**	**31.15**
Tax expenses:				
Current Tax	2,144.61	8.31	1,585.64	8.20
Deferred Tax Credit	(45.89)	(0.18)	(29.18)	(0.15)
Total tax expense	**2,098.72**	**8.13**	**1,556.46**	**8.05**
Profit for the period	**6,113.41**	**23.70**	**4,468.57**	**23.10**
Other comprehensive income for the period (net of tax)	7,369.85	28.57	3,093.26	15.99
Total comprehensive income for the period	**13,483.26**	**52.26**	**7,561.83**	**39.10**

Income

Our total income increased by 33.40% to ₹25,800.01 lakh for the six months period ended September 30, 2021 from ₹19,340.82 lakh for the six months period ended September 30, 2020. The above increase was primarily due to an increase in license revenue and the stabilization in revenues from product sales, and our film and TV business, which were negatively impacted in the first six months of Fiscal 2021 due to the COVID-19 lockdowns imposed in India.

Revenue from Operations. Our revenue from operations increased by 35.46% to ₹25,004.71 lakh for the six months period ended September 30, 2021 from ₹18,459.67 lakh for the six months period ended September 30, 2020. This was due to overall growth in revenue in the six months period ended September 30, 2021 as compared to the six months period ended September 30, 2020. In the six months period ended September 30, 2021, revenue from the sale of products was ₹4,118.38 lakh, from films and television serials was ₹3,428.07 lakh, from licence fees was ₹16,876.90 lakh, from publication was ₹ 238.67 lakh and other operating revenue was ₹ 342.69 lakh as compared to the six months period ended September 30, 2020 in which revenue from the sale of products was ₹2,546.30 lakh, from films and television serials was ₹1,251.47 lakh, from licence fees was ₹13,460.81 lakh, from publication was ₹ 209.83 lakh and other operating revenue was₹ 991.26 lakh.

Other income. Our other income decreased by 9.74% to ₹795.30 lakh for the six months period ended September 30, 2021 from ₹881.15 lakh for the six months period ended September 30, 2020. There was a decrease in liabilities/provisions no longer required written back to ₹1.76 lakh for the six months period ended September 30, 2021 from ₹555.27 lakh for the six months period ended September 30, 2020. In addition, there was an increase in interest income on bank balances and bank deposits to ₹308.39 lakh for the six months period ended September 30, 2021 from ₹82.61 lakh for the six months period ended September 30, 2020. Further, there was an increase in other non-operating income to ₹205.40 lakh for the six months period ended September 30, 2021 from ₹21.75 lakh for the six months period ended September 30, 2020.

Expenses

Cost of materials consumed / Contract manufacturing charges. Cost of materials consumed / Contract manufacturing charges increased by 2,193.86% to 1,983.96 lakh for the six months period ended September 30, 2021 from ₹86.49 lakh for the six months period ended September 30, 2020. This was because we had almost entirely curtailed the procurement of Carvaan products for sales in the six months period ended September 30, 2020 due to the negative impact on consumer retail sales activities from COVID-19 lockdown measures and related restrictions. As a percentage of total income, our cost of materials consumed / contract manufacturing expenses was 7.69% for the six months period ended September 30, 2021 as compared to 0.45% for the six-month period ended September 30, 2020.

Cost of production of films and television serials. Cost of production of films and television serials increased by 182.78% to ₹3,989.16 lakh for the six months period ended September 30, 2021 from ₹1,410.67 lakh for the six months period ended September 30, 2020. This was primarily due to the resumption of film and television production, which was restricted in the six months period ended September 30, 2020, when lockdown measures and other restrictions imposed due to COVID-19 were in place.

Changes in inventories of finished goods and work-in-progress. Changes in inventories of finished goods and work-in-progress was ₹(1,066.29) lakh for the six months period ended September 30, 2021 as compared to ₹1,001.20 lakh for the six months period ended September 30, 2020. This was primarily due to a reduction in product inventory, as working capital for product sales optimized by selling down stock in hand.

Employee benefits expense. Employee benefits expense increased by 5.91% to ₹3,750.15 lakh for the six months period ended September 30, 2021 from ₹3,540.84 lakh for the six months period ended September 30, 2020. The salary, wages and bonus paid to employees increased to ₹ 3,446.12 lakh for the six months period ended September 30, 2021 from ₹ 3,236.82 lakh in the six months period ended September 30, 2020. This was in the ordinary course of increments given to our employees.

Finance costs. Our finance costs increased by 18.65% to ₹209.16 lakh for the six months period ended September 30, 2021 from ₹176.29 lakh for the six months period ended September 30, 2020. There was an increase in the unwinding of discount on financial liabilities/provision to ₹195.70 lakh in the six months period ended September 30, 2021 from ₹143.15 lakh in the six months period ended September 30, 2020.

Depreciation and amortisation expense. Our depreciation and amortisation expense increased by 99.96% to ₹506.04 lakh for the six months period ended September 30, 2021 from ₹253.07 lakh for the six months period ended September 30, 2020. There was an increase in amortization of intangible assets from ₹126.97 lakh in the six months period ended September 30, 2020 to ₹385.79 lakh in the six months period ended September 30, 2021. The above increase in amortisation expense was on account of more music content getting released.

Other expenses. Our other expenses increased by 19.99% to ₹8,215.70 lakh for the six months period ended September 30, 2021, from ₹6,847.23 lakh for the six months period ended September 30, 2020. The reason for major variances are:

- an increase in advertisement and sales promotion expenses to ₹2,210.15 lakh for the six months period ended September 30, 2021 from ₹1,300.76 lakh for the six months period ended September 30, 2020. This was due to more marketing activities undertaken for fresh content released during the six months period ended September 30, 2021;

- an increase in royalties to ₹3,205.78 lakh from ₹2,853.15 lakh for the six months period ended September 30, 2020. This was due to an increase in license revenue and sales of products; and

- an increase in miscellaneous expenses to ₹740.52 lakh from ₹460.27 lakh for the six months period ended September 30, 2020. This was due to increase in travel, consumables and other expenses; which was partially offset by

- a decrease in legal and consultancy expenses to ₹775.56 lakh from ₹923.55 lakh for the six months period ended September 30, 2020. This was due to the prosecution of a greater number of copyright dispute matters and a one-time consultancy fees for other matters paid in the six months period ended September 30, 2020.

Tax expenses. Our total tax expenses increased by 34.84% to ₹2,098.72 lakh for the six months period ended September 30, 2021, from ₹1,556.46 lakh for the six months period ended September 30, 2020.

Profit for the period. Our profit for the period increased by 36.81% to ₹6,113.41 lakh for the six months period ended September 30, 2021, from ₹4,468.57 lakh for the six months period ended September 30, 2020.

Our Results of Operations for Fiscal 2021, Fiscal 2020 and Fiscal 2019

The following table sets forth financial data from our audited consolidated statement of profit and loss for Fiscal 2021, Fiscal 2020 and Fiscal 2019, the components of which are also expressed as a percentage of total income for such periods:

	Fiscal Year Ended March 31,					
	2021		2020		2019	
	(₹ in lakh)	*(% of Total Income)*	*(₹ in lakh)*	*(% of Total Income)*	*(₹ in lakh)*	*(% of Total Income)*
Income:						
Revenue from operations	44,196.26	93.47	52,147.49	97.89	54,471.98	90.62
Other income	3,085.37	6.53	1,122.90	2.11	5,641.02	9.38
Total Income	**47,281.63**	**100.00**	**53,270.39**	**100.00**	**60,113.00**	**100.00**
Expenses:						
Cost of materials consumed / Contract manufacturing charges	2,105.81	4.45	10,702.76	20.09	22,160.81	36.87
Cost of production of films and television serials	4,649.68	9.83	5,408.43	10.15	4,882.90	8.12
Changes in inventories of finished goods and work-in-progress [(increase)/decrease]	2,451.49	5.18	255.96	0.48	(4,703.44)	(7.82)
Employee benefits expenses	6,953.36	14.71	6,661.54	12.51	5,651.33	9.40
Finance costs	345.06	0.73	671.47	1.26	656.03	1.09
Depreciation and amortisation expense	561.00	1.19	463.76	0.87	332.51	0.55
Other expenses	15,024.59	31.78	23,071.70	43.31	22,664.89	37.70
Total Expenses	**32,090.99**	**67.87**	**47,235.62**	**88.67**	**51,645.03**	**85.91**
Profit before tax	**15,190.64**	**32.13**	**6,034.77**	**11.33**	**8,467.97**	**14.09**
Tax expenses:						
Current Tax	3,773.08	7.98	1,968.01	3.69	2,130.51	3.54
Tax related to previous periods	-	-	45.95	0.09	-	-
Deferred Tax [charge/ (credit)]	71.10	0.15	(328.64)	(0.62)	904.80	1.51
Total tax expense	**3,844.18**	**8.13**	**1,685.32**	**3.16**	**3,035.31**	**5.05**
Profit for the year	**11,346.46**	**24.00**	**4,349.45**	**8.16**	**5,432.66**	**9.04**
Other comprehensive income for the year (net of tax)	3,076.07	6.51	(6,502.20)	(12.21)	(136.52)	(0.23)
Total comprehensive income for the year	**14,422.53**	**30.50**	**(2,152.75)**	**(4.04)**	**5,296.14**	**8.81**

Fiscal Year Ended March 31, 2021 Compared to Fiscal Year Ended March 31, 2020

Income

Our total income decreased by 11.24% to ₹47,281.63 lakh for Fiscal 2021 from ₹53,270.39 lakh for Fiscal 2020. This was primarily due to decreases in revenue from sales of products and income from films and television serials.

Revenue from Operations. Our revenue from operations decreased by 15.25% to ₹44,196.26 lakh for Fiscal 2021 from ₹52,147.49 lakh for Fiscal 2020. This was due to decreases in revenues from sales of products and income from films and television serials. Our retail operations and films and television serials were impacted by government restrictions and measures in response to the COVID-19 pandemic. Our revenue from sale of products decreased to ₹8,614.02 lakh for Fiscal 2021 from ₹20,622.68 lakh for Fiscal 2020. Further, we experienced a decrease in revenue from publications due to lower advertisements revenue in Fiscal 2021.

Other income. Our other income increased by 174.77% to ₹3,085.37 lakh for Fiscal 2021 from ₹1,122.90 lakh for Fiscal 2020. This was due to an increase in interest income to ₹1,690.72 lakh for Fiscal 2021 from ₹378.82 lakh for Fiscal 2020, an increase in dividend income from equity investments designated at FVOCI to ₹695.28 lakh for Fiscal 2021 from ₹309.03 lakh for Fiscal 2020 and an increase in liabilities/provisions no longer required written back to ₹589.18 lakh for Fiscal 2021 from ₹328.09 lakh for Fiscal 2020. The increase in interest income was primarily due to interest income on income tax refunds of ₹674.21 lakh and interest income from banks balances and bank deposits of ₹332.01 lakh in Fiscal 2021 and discounting of financial liabilities/provisions in the amount of ₹567.41 lakh in Fiscal 2021. This was related to the increase in year-on-year provisions for royalties payable to production houses and artists for content licenses as a result of the corresponding increase in license revenues.

Expenses

Cost of materials consumed / Contract manufacturing charges. Cost of materials consumed / Contract manufacturing charges decreased by 80.32% to ₹2,105.81 lakh for Fiscal 2021 from ₹10,702.76 lakh for Fiscal 2020. This decrease was on account of lower purchase activities in Fiscal 2021 due to the COVID-19 lockdowns resulting in government restrictions on sales of products in Fiscal 2021, as compared to normal pre-COVID-19 activity levels in Fiscal 2020. As a percentage of total income, our cost of materials consumed / contract manufacturing charges was 4.45% and 20.09% for Fiscal 2021 and Fiscal 2020, respectively.

Cost of production of films and television serials. Cost of production of films and television serials decreased by 14.03% to ₹4,649.68 lakh for Fiscal 2021 from ₹5,408.43 lakh for Fiscal 2020. This was due to COVID-19 lockdowns resulting in government restrictions on the production of films and television serials in Fiscal 2021.

Changes in inventories of finished goods and work-in-progress. Changes in inventories of finished goods and work-in-progress increased by 857.77% to ₹2,451.49 lakh for Fiscal 2021 from ₹255.96 lakh for Fiscal 2020. The change is due to decrease in purchases made during the Fiscal 2021 and product sales primarily from stock in hand.

Employee benefits expense. Employee benefits expense increased by 4.38% to ₹6,953.36 lakh for Fiscal 2021 from ₹6,661.54 lakh for Fiscal 2020. There was an increase in share based payment expenses from ₹21.78 lakh for fiscal 2020 to ₹ 137.71 lakh for fiscal 2021. The salary, wages and bonus paid to employees increased to ₹ 6,320.50 lakh for fiscal 2021 from ₹ 6,099.81 lakh for fiscal 2020. This was in the ordinary course of increments given to our employees.

Finance costs. Our finance costs decreased by 48.61% to ₹345.06 lakh for Fiscal 2021 from ₹671.47 lakh for Fiscal 2020. This was primarily due to a decrease in interest expenses on bank borrowings and unwinding of discount on financial liabilities/provisions in Fiscal 2021 as compared to Fiscal 2020. The decrease in interest expenses was due to the repayment of debt by Company.

Depreciation and amortisation expense. Our depreciation and amortisation expense increased by 20.97% to ₹561.00 lakh for Fiscal 2021 from ₹463.76 lakh for Fiscal 2020. This was primarily as a result of increase in amortisation of intangible assets to ₹319.11 lakh for Fiscal 2021 as compared to ₹197.52 lakh for Fiscal 2020. This was due to more content released during Fiscal 2021.

Other expenses. Our other expenses decreased by 34.88% to ₹15,024.59 lakh for Fiscal 2021 from ₹23,071.70 lakh for Fiscal 2020. The major reasons of variance are due to:

- a decrease in advertisement and sales promotion expenses to ₹3,749.63 lakh for Fiscal 2021 from ₹9,293.89 lakh for Fiscal 2020. This was primarily due to a reduction in the marketing of products due to COVID-19-related restrictions on consumer retail sales; further, there was no substantial content released during Fiscal 2021, hence there was no need to incur related marketing activities.

- a decrease in carriage, freight and forwarding expenses to ₹1,005.27 lakh for Fiscal 2021 from ₹1,717.50 lakh for Fiscal 2020. This was due to a reduction of imports of products.

- a decrease in royalties expenses to ₹5,661.34 lakh for Fiscal 2021 from ₹6,124.79 lakh for Fiscal 2020. This was primarily due to a reduction in sales of our Carvaan audio players in Fiscal 2021; and

- a decrease in travel and conveyance expenses to ₹82.44 lakh for Fiscal 2021 from ₹728.95 lakh for Fiscal 2020. This was primarily due to restrictions on travel due to COVD-19 lockdowns.

Tax expenses. Our total tax expenses increased by 128.10% to ₹3,844.18 lakh for Fiscal 2021 from ₹1,685.32 lakh for Fiscal 2020. Our tax expenses for Fiscal 2021 comprised of current tax expense of ₹3,773.08 lakh and deferred tax charge of ₹71.10 lakh, while our tax expenses for Fiscal 2020 comprised of current tax expense of ₹1,968.01 lakh, tax related to previous periods of ₹45.95 lakh and deferred tax credit of ₹(328.64) lakh. Our total tax expense as percentage of profit before tax for Fiscal 2021 and Fiscal 2020 was 25.31% and 27.93%, respectively.

Profit for the year. Our profit for the year increased by 160.87% to ₹11,346.46 lakh for Fiscal 2021 from ₹4,349.45 lakh for Fiscal 2020.

Remeasurements of post-employee benefit obligations. We recorded a remeasurement gain of post-employee benefit obligations of ₹(18.82) lakh in Fiscal 2021 as compared to ₹(100.79) lakh in Fiscal 2020.

Fair value of equity instruments designated at FVOCI. We recorded an increase in fair value of equity instruments designated at FVOCI of ₹3,504.36 lakh in Fiscal 2021. We recorded a decrease in fair value of equity instruments designated at FVOCI in the amount of ₹(7,289.90) lakh in Fiscal 2020. These equity investments comprise various long-term and non-current investments, including long-term investments held by us in certain securities and the non-current portion of financial instruments used as foreign exchange hedges. These changes in fair value are reflective of the mark-to-market adjustments, as we are required to restate/revalue our various non-current assets and liabilities at the prevailing market value or book value, as may be applicable. Increases/decreases in fair value include the component valuation gains or losses in respect of the long-term and non-current hedges used by us to protect our long-term foreign exchange exposures, and the valuation gains or losses in respect of other non-current items such as long-term advances received from the customers. Such increases/decreases in the fair value of the non-current component of such assets are recorded as Other Comprehensive Income on our statement of profit and loss.

Income tax relating to items that will not be reclassified subsequently to profit or loss. We recorded income tax relating to items that will not be reclassified subsequently to profit or loss in the amount of ₹(404.38) lakh in Fiscal 2021 as compared to ₹870.65 lakh in Fiscal 2020. This was primarily related to a deferred tax on change in value of equity investment and remeasurement of post-employment benefits obligation.

Total comprehensive income for the year. We had a total comprehensive income for the year of ₹14,422.53 lakh for Fiscal 2021 as compared to a total comprehensive loss of ₹(2,152.75) lakh for Fiscal 2020.

Fiscal Year Ended March 31, 2020 Compared to Fiscal Year Ended March 31, 2019

Income

Our total income decreased by 11.38% to ₹53,270.39 lakh for Fiscal 2020 from ₹60,113.00 lakh for Fiscal 2019. This is primarily due to a decrease in revenue from sales of products and a decrease in other income.

Revenue from Operations. Our revenue from operations decreased by 4.27% to ₹52,147.49 lakh for Fiscal 2020 from ₹54,471.98 lakh for Fiscal 2019. This is primarily due to a decrease in revenues from the sales of products caused by the short supply of products sourced from China and COVID-19 impacts in the fourth quarter of Fiscal 2020, which was partially offset by (i) an increase in license fees earned primarily from streaming and other digital platforms. In Fiscal 2020, revenue from the sale of products was ₹20,622.68 lakh, from films and television serials was ₹7,024.52 lakh, from license fees was ₹23,566.28 lakh, from publication was ₹ 687.86 lakh and other operating revenue was ₹ 246.15 lakh as compared to Fiscal 2019 in which revenue from the sale of products was ₹29,477.77 lakh, from films and television serials was ₹4,764.59 lakh, from licence fees was ₹19,475.55 lakh, from publication was ₹ 738.84 lakh and other operating revenue was ₹ 15.23 lakh.

Other income. Our other income decreased by 80.09% to ₹1,122.90 lakh for Fiscal 2020 from ₹5,641.02 lakh for Fiscal 2019. In Fiscal 2019 other income includes insurance claim against fire of ₹3,218.72 lakhs as against ₹ NIL is Fiscal 2020. The insurance claim was in connection with a fire break out at a godown of a third-party service provider that damaged the stocks (primarily Carvaan) of the Company. The corresponding loss recognized in respect of such stocks was charged off. We had decreases in (i) liabilities/provisions no longer required written back to ₹328.09 lakh in Fiscal 2020 from ₹1,134.80 lakh in Fiscal 2019, and (ii) interest income under effective interest method to ₹378.82 lakh in Fiscal 2020 from ₹879.97 lakh in Fiscal 2019. The decrease in interest income was primarily due to a decrease in interest income on income tax refund to ₹13.61 lakh in Fiscal 2020 from ₹280.97 lakh in Fiscal 2019 and a decrease in discounting of financial liabilities/provisions to ₹281.24 lakh in Fiscal 2020 from ₹524.20 lakh in Fiscal 2019.

Expenses

*Cost of materials consumed / Contract manufacturing charges. C*ost of materials consumed / Contract manufacturing charges decreased by 51.70% to ₹10,702.76 lakh for Fiscal 2020 from ₹22,160.81 lakh for Fiscal 2019. This decrease was on account of decreased procurement of products in Fiscal 2020 as compared to Fiscal 2019 due to lower retail sales of our products in Fiscal 2020. As a percentage of total income, our cost of materials consumed / contract manufacturing charges was 20.09% and 36.87% for Fiscal 2020 and Fiscal 2019, respectively.

Cost of production of films and television serials. Cost of production of films and television serials increased by 10.76% to ₹5,408.43 lakh for Fiscal 2020 from ₹4,882.90 lakh for Fiscal 2019. This is due to increased production activity for television serials and films under process in Fiscal 2020.

Changes in inventories of finished goods and work-in-progress. There was a net decrease of ₹255.96 lakh in changes in inventories of finished goods and work-in-progress in Fiscal 2020 as compared with a net increase of ₹4,703.44 lakh in Fiscal 2019. This is primarily due to the accumulation of product inventory to ensure supplies of product in market and to cover lead time to replenish inventory.

Employee benefits expense. Employee benefits expenses increased by 17.88% to ₹6,661.54 lakh for Fiscal 2020 from ₹5,651.33 lakh for Fiscal 2019. This increase was primarily due to an increase in salaries, wages and bonus to ₹6,099.81 lakh for Fiscal 2020 from ₹5,227.89 lakh for Fiscal 2019. The increase in salaries and other benefits was due to an increase in our number of employees in line with the growth in our business and compensation increments given to our employees. Our number of employees increased to 314 employees as of March 31, 2020, from 268 employees as of March 31, 2019.

Finance costs. Our finance costs increased by 2.35% to ₹671.47 lakh for Fiscal 2020 from ₹656.03 lakh for Fiscal 2019. This is primarily due to an increase in interest expense on unwinding of discount on financial liabilities in Fiscal 2020 as compared to Fiscal 2019, which was partially offset by a decrease in interest expense on loans and others.

Depreciation and amortisation expense. Our depreciation and amortisation expense increased by 39.47% to ₹463.76 lakh for Fiscal 2020 from ₹332.51 lakh for Fiscal 2019. This is primarily due to the recognition of depreciation expenses on right-of-use assets in accordance with Ind AS 116, which became applicable on the Company from 1 April 2019, and an increase in amortisation expenses on intangible assets in Fiscal 2020.

Other expenses. Our other expenses increased by 1.79% to ₹23,071.70 lakh for Fiscal 2020 from ₹22,664.89 lakh for Fiscal 2019. The major reasons of variance are due to:

- an increase in legal and consultancy expenses to ₹2,147.58 lakh for Fiscal 2020 from ₹1,346.50 lakh for Fiscal 2019. This was due an increase in copyright claim cases filed by the Company in Fiscal 2020 and other consultants hired in the course of business activities

- an increase in royalties to ₹6,124.79 lakh for Fiscal 2020 from ₹5,591.64 lakh for Fiscal 2019. This corresponded with the increase in license revenue in Fiscal 2020; and

- the recognition of an allowance for expected credit loss/provision for doubtful advances in the amount of ₹159.98 lakh for Fiscal 2020 as compared to a reversal of ₹(415.67) lakh for Fiscal 2019. This is due to the recovery in Fiscal 2019 of receivables for which provision for doubtful debt was made in earlier years.

These increases were partially offset by a decrease in advertisement and sales promotion expenses to ₹9,293.89 lakh for Fiscal 2020 from ₹10,484.89 lakh for Fiscal 2019. This is primarily due to decrease in Carvaan sales and related reduction in marketing of products.

Tax expenses. Our total tax expenses decreased by 44.48% to ₹1,685.32 lakh for the Fiscal 2020 from ₹3,035.31 lakh for Fiscal 2019. Our tax expenses for Fiscal 2020 comprised of current tax expense of ₹1,968.01 lakh, tax related to previous periods of ₹45.95 lakh and deferred tax credit of ₹(328.64) lakh , while our tax expenses for Fiscal 2019 comprised of current tax expense of ₹2,130.51 lakh and deferred tax expense of ₹904.80 lakh. Our total tax expense as percentage of profit before tax was 27.93% and 35.84% for Fiscal 2020 and Fiscal 2019, respectively. Our total tax expense as percentage of profit before tax for Fiscal 2020 was lower than the total tax expense as percentage of profit before tax for Fiscal 2019 on account of a decrease in tax rate by the Government to 22% effective from April 1, 2019. Prior to April 1, 2019, the tax rate applicable to us was 25%.

Profit for the year. Our profit for the year decreased by 19.94% to ₹4,349.45 lakh for Fiscal 2020 from ₹5,432.66 lakh for Fiscal 2019.

Remeasurements of post-employee benefit obligations. We recorded a remeasurement gain/(loss) of post-employee benefit obligations of ₹(100.79) lakh in Fiscal 2020 as compared to ₹34.03 lakh in Fiscal 2019.

Fair value of equity instruments designated at FVOCI. We recorded a decrease in fair value of equity instruments designated at FVOCI of ₹(7,289.90) lakh in Fiscal 2020. We recorded a decrease in fair value of equity instruments designated at FVOCI of ₹(259.45) lakh in Fiscal 2019.

Income tax relating to items that will not be reclassified subsequently to profit or loss. We recorded income tax relating to items that will not be reclassified subsequently to profit or loss in the amount of ₹870.65 lakh in Fiscal 2020 as compared to ₹23.07 lakh in Fiscal 2019.

Total comprehensive income for the year. We had a total comprehensive loss for the year of ₹(2,152.75) lakh for Fiscal 2020 as compared to a total comprehensive income of ₹5,296.14 lakh for Fiscal 2019.

Liquidity

Our liquidity requirements arise principally from our operating activities, capital expenditures for acquisition and development and production of new music, film and television content, and the repayment of borrowings and debt service obligations. Historically, our principal sources of funding have included cash from operations, short- and long-term borrowings from banks, overdraft facilities that are repayable on demand, cash and cash equivalents and equity and financing provided by our shareholders. We have also entered into various revolving credit and other working capital facilities, which provides sufficient liquidity for our requirements.

Cash Flows

The following table sets forth our cash flows for the six months period ended September 30, 2021 and September 30, 2020:

(₹ in lakh)

	Six months period ended September 30,	
	2021	**2020**
Net cash generated from Operating Activities	2,776.92	9,396.10
Net cash generated from/ (used in) Investing Activities	667.86	(7,076.04)
Net cash generated from/(used in) Financing Activities	232.09	(1,755.51)
Net increase in Cash and Cash Equivalents	3,676.87	564.55

The following table sets forth our cash flows for the Fiscals indicated:

(₹ in lakh)

	Fiscal year ended March 31,		
	2021	**2020**	**2019**
Net cash generated from / (used in) Operating Activities	18,971.27	7,951.73	(3,572.82)
Net cash used in Investing Activities	(13,610.43)	(502.21)	(634.92)
Net cash (used in) / generated from Financing Activities	(4,948.00)	(7,246.60)	3,785.77
Net increase / (decrease) in Cash and Cash Equivalents	412.84	202.92	(421.97)

Operating Activities

Net cash generated from operating activities was ₹2,776.92 lakh for the six months period ended September 30, 2021. While our profit before tax for the period was ₹8,212.13 lakh, we had an operating profit before working capital changes of ₹8,370.24 lakh This was primarily due to adjustments for depreciation and amortization of ₹506.04 lakh and finance costs of ₹209.16 lakh, which were offset by interest income of ₹(584.08) lakh. Our working capital changes for the six months period ended September 30, 2021 primarily consisted of an increase in other financial liabilities, provisions and other current liabilities of ₹2,156.10 lakh, offset by an increase in other current assets, loans, other non-current assets and other financial assets of ₹(3,382.60) lakh and an increase in inventories of ₹(1,829.58) lakh. Our cash generated from operations was ₹4,898.51 lakh, adjusted by income taxes paid (net of refund) of ₹(2,121.59) lakh.

Net cash generated from operating activities was ₹18,971.27 lakh for Fiscal 2021. While our profit before tax was ₹15,190.64 lakh, we had an operating profit before working capital changes of ₹13,434.34 lakh. This was primarily due to adjustments for depreciation and amortization of ₹561.00 lakh and finance costs of ₹345.06 lakh, which were offset by interest income of ₹(1,690.72) lakh, dividend income from equity investments designated at FVOCI of ₹(695.28) lakh and liabilities/provisions no longer required written back of ₹(589.18) lakh. Our working capital changes for Fiscal 2021 primarily consisted of an increase in other financial liabilities, provisions and other current liabilities of ₹3,337.87 lakh, a decrease in inventories of ₹2,444.26 lakh and a decrease in trade receivables of ₹2,032.21 lakh, partially offset by an increase in other current assets, loans, other non-current assets and other financial assets of ₹(1,120.90) lakh. Our cash generated from operations was ₹20,346.75 lakh, adjusted by income taxes paid (net of refund and interest) of ₹(1,375.48) lakh.

Net cash generated from operating activities was ₹7,951.73 lakh for Fiscal 2020. While our profit before tax was ₹6,034.77 lakh, we had an operating profit before working capital changes of ₹6,281.29 lakh. This was primarily due to adjustments for finance costs of ₹671.47 lakh and depreciation and amortization of ₹463.76 lakh, which were offset by interest income of ₹(378.82) lakh, liabilities/provisions no longer required written back of ₹(328.09) lakh, and dividend income from equity investments designated at FVOCI of ₹(309.03) lakh. Our working capital changes for Fiscal 2020 primarily consisted of a decrease in other current assets, loans, other non-current assets and other financial assets of ₹2,171.94 lakh and an increase in other financial liabilities, provisions and other current liabilities of ₹1,042.26 lakh. Our cash generated from operations was ₹10,164.60 lakh, adjusted by income taxes paid (net of refund and interest) of ₹(2,212.87) lakh.

Net cash used in operating activities was ₹(3,572.82) lakh for Fiscal 2019. While our profit before tax was ₹8,467.97 lakh, we had an operating profit before working capital changes of ₹6,838.91 lakh. This was primarily due to adjustments for finance costs of ₹656.03 lakh and depreciation and amortization of ₹332.51 lakh, which were offset by liabilities/provisions no longer required written back of ₹(1,134.80) lakh, interest income of ₹(879.97) lakh, allowance for expected credit loss of ₹(415.67) lakh and dividend income from equity investments designated at FVOCI of ₹(270.40) lakh. Our working capital changes for Fiscal 2019 primarily consisted of an increase in other financial liabilities, provisions and other current liabilities of ₹2,154.69 lakh and an increase in trade payables of ₹1,739.67 lakh, which were offset by an increase in other current assets, loans, other non-current assets and other financial assets of ₹(5,181.77) lakh, an increase in inventories of ₹(4,698.37) lakh and an increase in trade receivables of ₹(3,238.96) lakh. Our cash used in operations was ₹(2,318.25) lakh, adjusted by incomes taxes paid (net of refund and interest) of ₹(1,254.57) lakh.

Investing Activities

Net cash generated from investing activities was ₹667.86 lakh for the six months period ended September 30, 2021. This was primarily due to proceeds from the sale of investments in mutual funds of ₹2,541.13 lakh, which were partially offset by the purchase of property, plant and equipment and intangible assets of ₹(1,534.48) lakh and fixed deposits placed with banks (with maturity more than 3 months) of ₹(483.45) lakh.

Net cash used in investing activities was ₹(13,610.43) lakh for Fiscal 2021. This was primarily due to fixed deposits placed with banks (with maturity more than 3 months) of ₹(9,703.58) lakh, investments in mutual funds of ₹(2,499.87) lakh and the purchase of property, plant and equipment and intangible assets of ₹(2,200.71) lakh, which were partially offset by dividend income from equity investments designated at FVOCI of ₹695.28 lakh and interest received of ₹190.98 lakh.

Net cash used in investing activities was ₹(502.21) lakh for Fiscal 2020. This primarily comprises of the purchase of property, plant and equipment and intangible assets of ₹(827.80) lakh and investments in mutual funds of ₹(150.00) lakh, which were partially offset by proceeds from the sale of investments in mutual funds of ₹150.12 lakh.

Net cash used in investing activities was ₹(634.92) lakh for Fiscal 2019. This primarily comprises of the purchase of property, plant and equipment and intangible assets of ₹(1,210.45) lakh and investments in mutual funds of ₹(200.00) lakh, which were partially offset by interest received of ₹303.90 lakh, dividend income of ₹270.40 lakh and proceeds from the sale of investments in mutual funds of ₹200.43 lakh.

Financing Activities

Net cash generated from financing activities was ₹232.09 lakh for the six months ended September 30, 2021. It primarily comprising the payment of an exercise price of shares held through the Saregama Welfare Trust, which has been formed for implementation of a share-based incentive scheme for the Company. Saregama Welfare Trust purchases shares of the Company in connection with employee exercises of ESOPs.

Net cash used in financing activities was ₹(4,948.00) lakh for Fiscal 2021. This primarily comprises of the payment of an interim dividend of ₹(3,485.60) lakh, repayment of short-term borrowings of ₹(923.22) lakh and dividend paid of ₹(261.39) lakh.

Net cash used in financing activities was ₹(7,246.60) lakh for Fiscal 2020. This primarily comprises of the repayment of short-term borrowings of ₹(5,453.31) lakh, purchase of investment by Saregama Welfare Trust (Treasury Shares) of ₹(764.32) lakh, dividend paid of ₹(522.60) lakh and interest paid on others of ₹(332.29) lakh.

Net cash generated from financing activities was ₹3,785.77 lakh for Fiscal 2019. This primarily comprises of proceeds from short-term borrowings of ₹4,789.24 lakh, which was partially offset by dividend paid of ₹(515.30) lakh and interest paid on others of ₹(380.81) lakh.

Financial Indebtedness

As of September 30, 2021, we had no outstanding consolidated borrowings, as we repaid our secured bank borrowings and unsecured inter-corporate deposits in full in Fiscal 2021.

Capital and Other Commitments

As of March 31, 2021, our estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) was ₹1,376.43 lakh.

Property, plant and equipment and intangible assets capitalised during the year

(₹ in lakh)

Particulars	Six months period ended September 30, 2021	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019
Addition to gross carrying amount of Property, plant and equipment (PPE)	1,063.22	114.16	139.65	1,919.84
Addition to gross carrying amount of Intangible assets	1,115.00	996.76	601.03	198.99

Six months period ended September 30, 2021: The addition in gross carrying amount of PPE includes revaluation of land. The addition in gross carrying amount in intangible assets is primarily due to the acquisition of music IP.

Year ended March 31, 2021: The addition in gross carrying amount of PPE includes the purchase of office equipment. The addition in gross carrying amount in intangible assets is primarily due to the acquisition of music IP.

Year ended March 31, 2020: The addition in gross carrying amount of PPE includes purchase of office equipment. The addition in gross carrying amount in intangible assets is primarily due to the acquisition of music IP.

Year ended March 31, 2019: The addition in gross carrying amount of PPE mainly includes expense incurred on land development. The addition in gross carrying amount in intangible assets is primarily due to the acquisition of music IP.

Contingent Liabilities

The following table sets forth certain information relating to our contingent liabilities and claims against us, to the extent provided for, as of September 30, 2021 and March 31, 2021, as determined in accordance with Ind AS 37:

(₹ in lakh)

Contingent Liabilities	As of September 30, 2021	As of March 31, 2021
Income tax matter	2,808.68	1,050.74
Indirect tax matter	463.63	463.63
Copyright matter	20.25	20.25
Other matter	4,649.77	4,295.04
TOTAL	**7,942.33**	**5,829.66**

For details, see *"Financial Statements – Notes to Consolidated Financial Information – Note 38 - Contingent Liabilities in respect of"* on page 302.

Off-Balance Sheet Commitments and Arrangements

We do not have any off-balance sheet arrangements, derivative instruments, swap transactions or relationships with affiliates or other unconsolidated entities or financial partnerships that would have been established for the purpose of facilitating off-balance sheet arrangements.

Related Party Transactions

We have engaged in the past, and may engage in the future, in transactions with related parties. For details of our related party transactions, see "*Related Party Transactions*" on page 81.

Quantitative and Qualitative Analysis of Market Risks

Our Board has overall responsibility for the establishment and oversight of our risk management framework. Our risk management framework has the objective of ensuring that such risks are managed within acceptable and approved risk parameters in a disciplined and consistent manner and in compliance with applicable regulation.

The following is an explanation of the sources of risks to which we are exposed and how we manage these risks:

Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing activities (primarily deposits with banks).

Trade receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers. Customer credit risk is managed by respective segment subject to the Group's policy and procedures which involve credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Group grants credit terms in the normal course of business. The Group's customer base is large and diverse limiting the risk arising out of credit concentration. Further, credit is extended in business interest in accordance with business-specific credit policies. The Group's exposure to trade receivables on the reporting date, net of allowance for expected loss provisions, stood at ₹8,735.30 lakh as on March 31, 2021.

All overdue customer balances are evaluated taking into account the age of the dues, specific credit circumstances, the track record of the counterparty etc. On account of adoption of Ind AS 109, the Group uses expected credit loss model to assess the impairment loss.

The movement of the expected loss provision (allowance for bad and doubtful loans and receivables etc.) made by the Group are as under:

(₹ in lakh)

	Expected Loss Provision		
	As at March 31, 2021	**As at March 31, 2020**	**As at March 31, 2019**
Opening balance	1,143.40	1,006.83	1,464.21
Add: Provision made during the year (net)	37.77	136.57	144.59
Less: Utilisation for impairment/de-recognition/reversal of provision	-	-	(601.97)
Closing balance	1,181.17	1,143.40	1,006.83

Other financial assets

Trade receivables are typically unsecured and are derived from revenue earned from customers. Customer credit risk is managed by respective segment subject to the Group's policy and procedures which involve credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Group grants credit terms in the normal course of business. The Group's customer base is large and diverse limiting the risk arising out of credit concentration. Further, credit is extended in business interest in accordance with business-specific credit policies. The Group's exposure to trade receivables on the reporting date, net of allowance for expected loss provisions, stood at ₹8,735.30 lakh as on March 31, 2021.

Credit risk from balances with banks, term deposits and investments is managed by Group's finance department. Investments in fixed deposits are held with highly rated banks. Investments of surplus are made within assigned credit limits with approved counterparties who meet the threshold requirements with respect to ratings, financial strength, credit spreads etc. Counterparty credit limits are set to minimize concentration risk and are reviewed periodically by the Board.

The Group's maximum exposure to credit risk for the components of the balance sheet as of March 31, 2021 and March 31, 2020 is the carrying amounts as disclosed in the notes to the Audited Consolidated Financial Statements.

For further information on our credit risk, see "*Financial Statements – Notes to Consolidated Financial Information – Note 33*" on page 298.

Liquidity risk

Liquidity risk is the risk that we will encounter difficulty in meeting the obligations associated with our financial liabilities that are settled by delivering cash or another financial asset. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities. Our approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to our reputation.

Liquidity risk refers to the risk that the Group fails to honour its financial obligations in accordance with terms of contract. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions.

Management monitors rolling forecasts of the Group's liquidity position (including the undrawn credit facilities extended by banks and financial institutions) and cash and cash equivalents on the basis of expected cash flows. In addition, the Group's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.
The following table shows a maturity analysis of the anticipated cash flows including interest obligations for the Group's non-derivative current financial liabilities on an undiscounted basis (all payable within 12 months), which therefore does not differ significantly from their carrying value as the impact of discounting is not significant.

(₹ in lakh)

Non-derivative financial liabilities		As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
(i)	Borrowings including interest obligation	-	923.22	6,376.53
(ii)	Lease liabilities	127.08	47.03	-
(iii)	Trade payables	5,630.40	5,800.39	5,645.17
(iv)	Other financial liabilities	6,477.22	2,346.40	4,212.94
		12,234.70	**9,117.04**	**16,234.64**

The Group does not have derivative financial liabilities as at the end of above-mentioned reporting periods.

Market risk

Foreign currency risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices will affect our income or the value of its holdings of financial instruments. We are exposed to market risk primarily related to foreign exchange rate risk and interest rate risk. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

Foreign currency risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group transacts business in local currency and in foreign currencies (primarily US Dollars). The Group has foreign currency trade receivables and trade payables and is therefore exposed to foreign currency risk. The risk is measured through a forecast of highly probable foreign currency cash flows.

The Group's risk management policy is hedging of net foreign currency exposure at all points in time through foreign exchange forward contracts. The objective of the hedging is to eliminate the currency risk due to volatility in exchange rates.

Foreign Currency Risk Exposure

The Group's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

(₹ in lakh)

Currency	As at March 31, 2021		As at March 31, 2020		As at March 31, 2019	
	Financial Assets	Financial Liabilities	Financial Assets	Financial Liabilities	Financial Assets	Financial Liabilities
US Dollars	582.57	-	416.54	6.60	381.97	114.65
Others	8.04	-	16.58	-	109.18	-
Total	**590.61**	**-**	**433.12**	**6.60**	**491.15**	**114.65**

(₹ in lakh)

Net Exposure to Foreign Currency Risks (Assets – Liabilities)	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
US Dollars	582.57	409.94	267.32
Others	8.04	16.58	109.18
Total	**590.61**	**426.52**	**376.50**

Sensitivity

The Group's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

The sensitivity of profit or loss due to changes in the foreign exchange rates arises mainly from foreign currency denominated financial instruments. 10 % appreciation / depreciation of the respective foreign currencies with respect to functional currency (holding all other variables constant) of the Group would result in increase / decrease in the Group's profit before tax as computed below:

(₹ in lakh)

Impact on profit before tax	Year Ended March 31, 2021	Year Ended March 31, 2020	Year Ended March 31, 2019
US Dollar sensitivity			
INR/USD – Increase by 10%	58.26	40.99	26.73
INR/USD – Decrease by 10%	(58.26)	(40.99)	(26.73)
Other currencies sensitivity			
INR/USD – Increase by 10%	0.80	1.66	10.92
INR/USD – Decrease by 10%	(0.80)	(1.66)	(10.92)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to risk of changes in market interest rates relates primarily to the Group's debt interest obligation. Further the Group engages in financing activities at market linked rates, any changes in the interest rate environment may impact future rates of borrowings.

The exposure of the Group's financial assets and financial liabilities to interest rate risk is as follows:

(₹ in lakh)

	As at March 31, 2021		As at March 31, 2020		As at March 31, 2019	
	Floating Rate	Fixed Rate	Floating Rate	Fixed Rate	Floating Rate	Fixed Rate
Financial Assets	-	9,878.25	-	174.67	-	162.36
Financial Liabilities	-	-	923.22	-	3,876.53	2,500.00
Total	**-**	**9,878.25**	**923.22**	**174.67**	**3,876.53**	**2,662.36**

Increase/ decrease of 50 basis points (holding all other variables constant) in interest rates at the balance sheet date would result in increase/decrease of ₹ Nil in interest expense on financial liabilities with floating interest rate and corresponding impact on profit before tax for the year ended 31 March 2021.

The Group invests its surplus funds in fixed deposits and debt mutual funds. Fixed deposits are held with highly rated banks and have a short tenure and are not subject to interest rate volatility.

Adjusted Interest Coverage Ratio

We define the Adjusted Interest Coverage Ratio as Adjusted Profit for the period/year divided by Adjusted Interest for the period/year.

Adjusted Profit: Adjusted Profit is profit for the period/year plus depreciation and amortisation expense for the period/year plus Adjusted Interest for the period/year.

Adjusted Interest: Adjusted Interest is Finance costs less interest expense on financial liabilities measured at amortised cost on unwinding of discount on financial liabilities provisions and on lease liabilities.

Our Adjusted Interest Coverage Ratio for the six months period ended September 30, 2021, Fiscal 2021, Fiscal 2020, and Fiscal 2019 are as follows:

(₹ in lakh except ratio)

Particulars	Six months period ended 30 September 2021	Fiscal 2021	Fiscal 2020	Fiscal 2019
Finance costs (A)	209.16	345.06	671.47	656.03
Less: Interest expense on financial liabilities measured at amortised costs (B=i+ii)	(200.76)	(289.97)	(335.85)	(271.88)
-unwinding of discount on financial liabilities/provision (i)	*(195.70)*	*(286.30)*	*(326.83)*	*(271.88)*
-on lease liabilities (ii)	*(5.06)*	*(3.67)*	*(9.02)*	-
Adjusted Interest (C=A-B)	8.40	55.09	335.62	384.15
Profit for the period/year (D)	6,113.41	11,346.46	4,349.45	5,432.66
Depreciation and amortisation expense (E)	506.04	561.00	463.76	332.51
Adjusted Profit (F=C+D+E)	6,627.85	11,962.55	5,148.83	6,149.32
Adjusted Interest Coverage Ratio (G=F/C)	789.03	217.15	15.34	16.01

Securities price risk

Securities price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded prices. The Group is not an active investor in equity markets; it continues to hold certain investments in equity for long term value accretion which are accordingly measured at fair value through Other Comprehensive Income. The value of investments in such equity instruments (including quoted and unquoted) as at March 31, 2021 is ₹11,141.20 lakh. Accordingly, fair value fluctuations arising from market volatility is recognised in Other Comprehensive Income.

The Group also invests in mutual fund schemes of leading fund houses. Such investments are susceptible to market price risk that arise mainly from changes in interest rate which may impact the return and value of such investments. However, given the relatively short tenure of underlying portfolio of the mutual fund schemes in which the Company has invested, such price risk is not significant.

Unusual or Infrequent Events or Transactions

Except as described in this Preliminary Placement Document, to our knowledge, there have been no unusual or infrequent events or transactions that have in the past or may in the future affect our business operations or future financial performance.

Known Trends or Uncertainties

Our business has been subject, and we expect it to continue to be subject, to significant economic changes arising from the trends identified above in "*Significant Factors Affecting our Results of Operations*" above and the uncertainties described in "*Risk Factors*" on page 47. To our knowledge, except as disclosed in this Preliminary Placement Document, there are no known factors which we expect to have a material adverse effect on our income.

Future Relationship between Cost and Revenue

Other than as described elsewhere in this Preliminary Placement Documents, including disclosure regarding the impact of COVID-19 on our operations, to the knowledge of our management, there are no known factors that might affect the future relationship between costs and revenues.

New Products or Business Segments

Other than as disclosed in this section and in "*Our Business*" on page 146, there are no new products or business segments that have or are expected to have a material impact on our business prospects, results of operations or financial condition.

Dependence on a Few Customers or Suppliers

Given the nature of our business operations, we do not believe our business is dependent on any single or a few customers or suppliers.

Seasonality of Business

Our business is not seasonal in nature.

Competitive Conditions

We operate in a competitive environment. Please refer to "*Our Business*", "*Industry Overview*", "*Risk Factors*" and "*Significant Factors Affecting our Results of Operations*" above on pages 146, 122, 47 and 85, respectively, for further information on our industry and competition.

Reservations, Qualifications and Adverse Remarks Included in Financial Statements

There have been no reservations or qualifications or adverse remarks in the last five fiscal years except as mentioned below.

The details of an emphasis of matter included in the report of our erstwhile statutory auditors with respect to our financial statements for Fiscal 2017 are set forth below:

a. We draw your attention to Note 35.1 to the consolidated financial statements relating to:

   (i) remuneration paid to the Managing Director of the Holding Company for the financial year 2015-16 in excess of the limits specified in the Section 197 read with Schedule V of the Act. The Holding Company has subsequently made an application and received Order dated October 5, 2016 from the Central Government for an amount of Rs.179.94 Lakhs as against the amount paid/provided of Rs. 489.92 Lakhs and excess remuneration of Rs. 179.10 Lakhs and Rs. 130.88 Lakhs have been disclosed as receivable from the Managing Director and written back respectively in the financial statements for the financial year 2016-17.

   (ii) remuneration paid/provided for the financial year 2014-15 in excess of the limit set out in the Order dated October 5, 2016 from the Central Government by Rs. 78.98 Lakhs. According to the Board of Directors of the Holding Company, the aforesaid Order would not be applicable for the financial year 2014-15 as the total remuneration was within the provisions of the Act, for which the Holding Company has sought clarification from the Central Government and the response to which is awaited.

Our opinion is not qualified in respect of above matters.

b. We also draw your attention to Note 35.2 to the consolidated financial statements regarding remuneration paid / payable to Managing Director aggregating Rs. 332.88 Lakhs for the year ended March 31, 2017 in excess of the limits specified in the Order dated October 5, 2016 issued by the Central Government. The Holding Company has made application to the Central Government seeking its clarification / approval on the application of the Notification dated September 12, 2016 issued by the Ministry of Corporate Affairs in place of the aforesaid Order and the response to which is awaited.

Our opinion is not qualified in respect of above matters.

Significant developments subsequent to September 30, 2021

Except as set out in this Preliminary Placement Document, to our knowledge, no circumstances have arisen since the date of the last financial statements as disclosed in this Preliminary Placement Document which materially or adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

INDUSTRY OVERVIEW

The information contained in this section is derived from various industry and publicly available resources. The information also includes information available from reports or databases of CRISIL Limited ("CRISIL"). Neither the Company, its Directors, the BRLMs nor any other person connected with the Issue have independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Industry publications are also prepared on information as of specific dates and may no longer be current or reflect current trends. Accordingly, investment decisions should not be based on such information.

CRISIL Research, a division of CRISIL, has taken due care and caution in preparing the "Assessment of Music Distribution Industry in India", released in October 2021 (the "CRISIL Report") based on the information obtained by CRISIL from sources which it considers reliable ("Data"). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data / CRISIL Report and is not responsible for any errors or omissions or for the results obtained from the use of the Data / CRISIL Report. The CRISIL Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of the CRISIL Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL especially states that it has no liability whatsoever to the subscribers / users / transmitters/ distributors of the CRISIL Report. Without limiting the generality of the foregoing, nothing in the CRISIL Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. The Company will be responsible for ensuring compliances and consequences of non-compliances for use of the CRISIL Report or part thereof outside India. CRISIL Research operates independently of and does not have access to information obtained by CRISIL's Ratings Division / CRISIL Risk and Infrastructure Solutions Ltd (CRIS), which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL Research and not of CRISIL's Ratings Division / CRIS. No part of the CRISIL Report may be published/reproduced in any form without CRISIL's prior written approval.

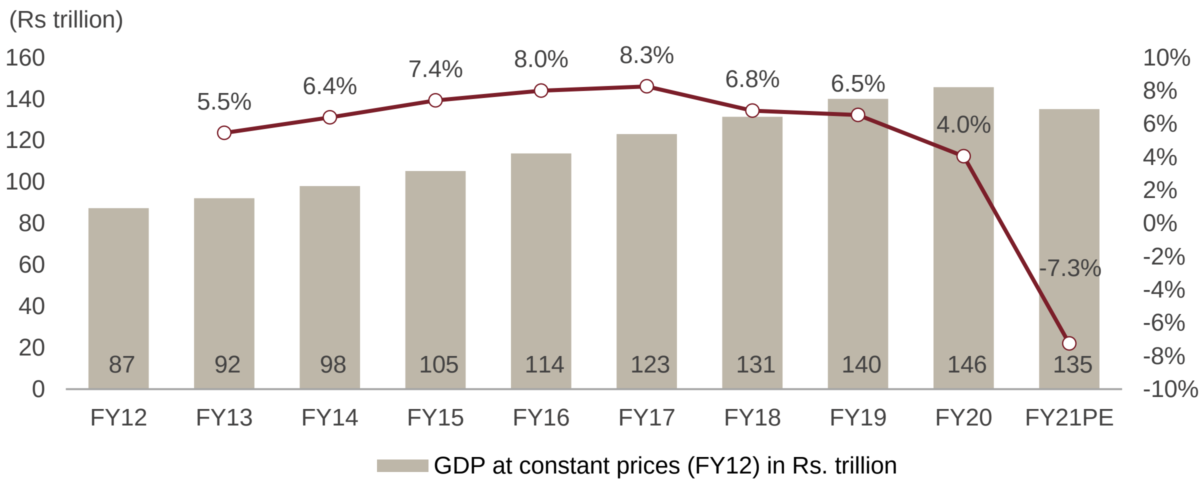
Overview of the Indian economy

Review of India's GDP growth

India's read GDP growth

According to the CRISIL Report, India was one of the fastest-growing economies in 2018 and 2019. Prior to the COVID-19 pandemic, India's real GDP increased at an eight-year CAGR of approximately 6.6% from ₹87 trillion in 2012 to ₹146 trillion in Fiscal 2020.

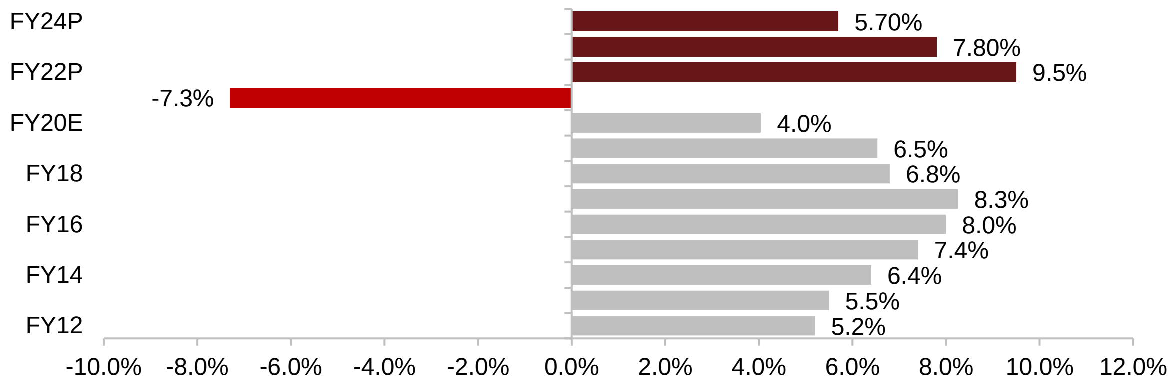
Real GDP growth in India (new GDP series)



PE: Provisional estimate
Source: Provisional estimates of national income 2020-21, Central Statistics Office (CSO), MoSPI, CRISIL Research

Fiscal 2021 has been a challenging year for the Indian economy. Mainly due to the COVID-19 pandemic, India's real GDP contracted by 7.3% in Fiscal 2021, after a 4.0% growth in Fiscal 2020. India's real GDP (in absolute term) stood at ₹135.1 trillion in Fiscal 2021, which was even below its real GDP (in absolute term) in Fiscal 2020 of ₹140.0 trillion.

Real GDP growth (% on-year)

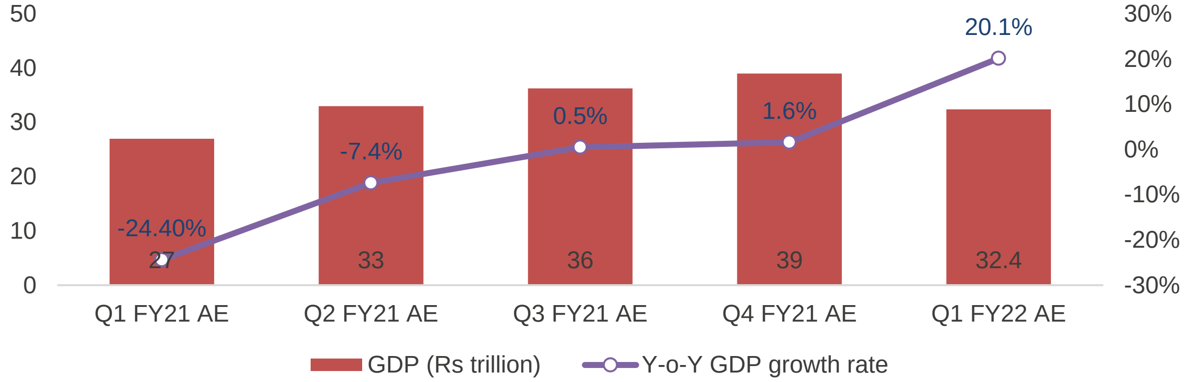


E: Estimated; P: Projected by CRISIL Research;
Source: Second advance estimates of national income 2020-21, CSO, MoSPI, CRISIL Research

While the Indian economy shrank as a whole in Fiscal 2021, certain industries, including the agriculture and allied activities, electricity, gas, water supply and other utility services, were the outliers, recording positive growth. The construction industry, a labour-intensive sector, was also severely impacted in the first half of Fiscal 2021 but rebounded in the second half of Fiscal 2021. On the other hand, industries such as contact-intensive trade, hotels, transport and communication sectors, and services related to broadcasting had the most adverse impact and showed sequential contraction.

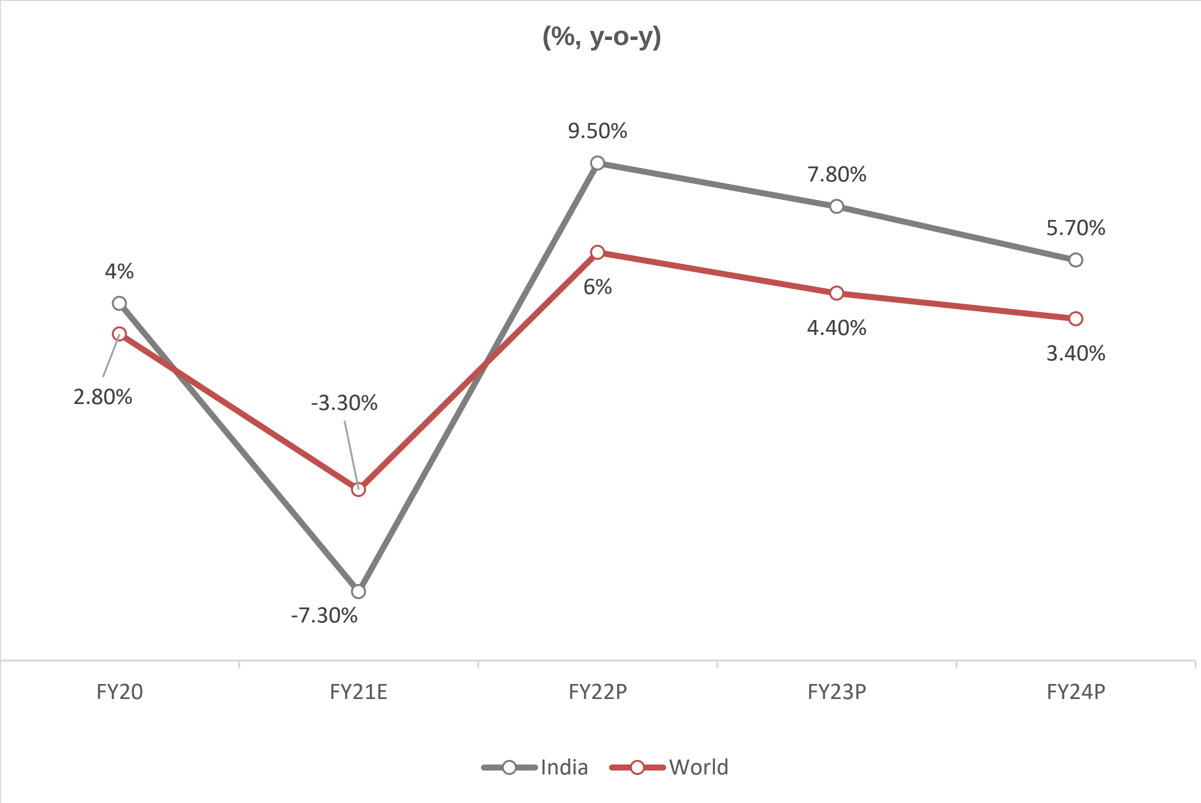
The impact of the pandemic on the Indian economy was the biggest in the first half of 2021, with the economy rebounded slightly in the second half, recording a 0.5% and 1.6% on-year growth in the third and fourth quarter of Fiscal 2021, respectively. In Fiscal 2022, data suggested that the Indian economy is recovering. In particular, India's real GDP in the first quarter of Fiscal 2022 grew at 20.1% when compared to the first quarter of Fiscal 2021. However, in absolute term, real GDP in the first quarter of Fiscal 2022 stood at ₹32.4 trillion, which reflects a 9.0% contraction from the real GDP in the first quarter of Fiscal 2020.

Quarter-wise real GDP growth in Fiscal 2021



Note: AE: Advance estimates
Source: Provisional estimates of Annual National Income 2020-21, Central Statistics Office (CSO), MoSPI, CRISIL Research

CRISIL forecasts India's GDP growth to rebound to 9.5% in Fiscal 2022, primarily as a result of a weak base in Fiscal 2021, expected export lifts by major economies, rollouts of vaccines and fiscal measures introduced by the Government. CRISIL Research expects that the India's real GDP growth will be greater than the global real GDP growth for the next three fiscal years (Fiscal 2022, Fiscal 2023 and Fiscal 2024).



Notes: Forecasts for world are for calendar year; FY20=2019; P: Projected; updated as of Jun 2021; India numbers for FY20 and FY21 are based on MoSPI's latest GDP estimates and FY22 onwards are CRISIL Research estimates; World GDP growth rates are from IMF World Economic Outlook update as of April 2021
Source: S&P Global Ratings, CRISIL

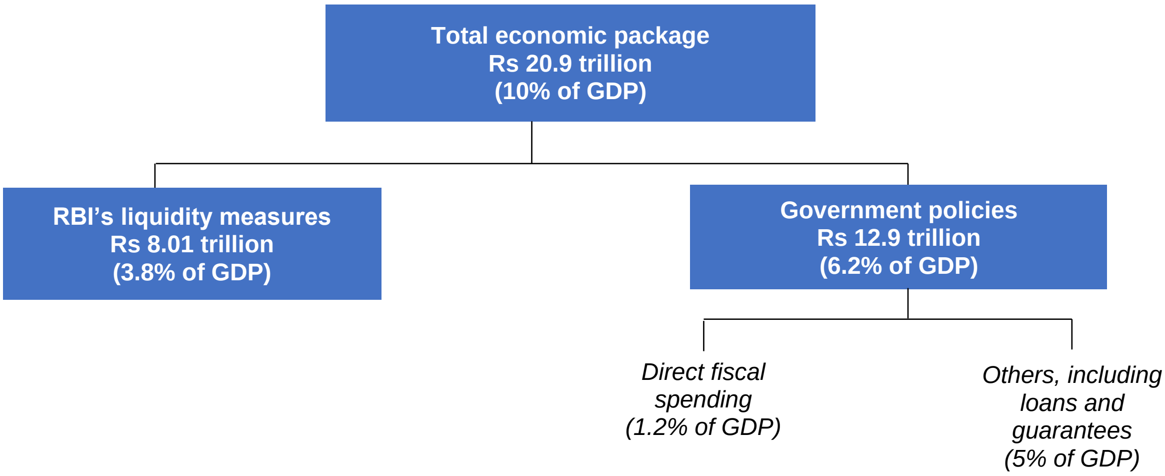
Real GDP growth by geographies

	2017	2018	2019	2020	2021P	2022P
United States	2.3	3.0	2.2	–3.5	7.0	4.9
Japan	2.2	0.3	0.3	–4.7	2.8	3.0
United Kingdom	1.2	1.3	1.4	–9.8	7.0	4.8
China	6.9	6.7	6.0	2.3	8.1	5.7
Canada	3.0	2.4	1.9	-5.3	6.3	4.5
European Union	3.0	2.3	1.7	-6.0	4.7	4.4
India	6.8	6.5	4.0	**-7.3***	**9.5***	**7.8***

P: Projection as per IMF update
** Numbers for India for 2021 and 2022 are CRISIL Research forecasts. IMF forecast for 2020 is -7.3%, 2021 is 9.5% and 2022 is 8.5%. For 2020 provisional estimates are used as per Government of India publications.*
Source: IMF economic database, World Bank and OECD national accounts data, CRISIL Research

Key fiscal measures to mitigate the pandemic impact

To mitigate the negative impact of the COVID-19 pandemic on the Indian economy, the Government has announced a ₹20.9 trillion package , amounting to 10% of the country's nominal GDP in Fiscal 2020. The package contains a mix of fiscal and monetary measures to revive growth in the short-term and to boost economic prospects in the long-term. The immediate fiscal cost will be borne by the government and is estimated to be ₹2.6 trillion, or 1.2% of the country's nominal GDP in Fiscal 2020.



Source: Ministry of Finance, CRISIL Research

The short-term measures announced by the Government aim to reduce financing stress in vulnerable sectors of the economy facing the most burden owing to lockdowns, such as the micro, small and medium enterprises ("MSME"). The support to MSMEs – the largest part of the Government's allocation – is indirect and depends on implementation by banks (mostly in the form of guarantees and credit). Other than the poor and MSMEs, many other affected sectors have not yet been given relief by the Government.

Arsenal of policy weapons to address the liquidity issue

Fiscal policy	• Providing guarantees against loans extended to MSMEs • Relief from insolvency proceedings in fiscal 2021 • Indirect equity infusion in MSMEs through fund of funds • Creation of liquidity facility to facilitate purchase of debt paper of NBFCs and housing finance companies (HFCs)
Monetary policy	• Slashing benchmark interest rates • Lowering reserve requirements for banks by cutting the cash reserve ratio • Ramping up open-market operations • Targeted liquidity infusion to corporates through targeted long term repo operations • Regulatory forbearance including extending moratoriums • Special liquidity windows and refinancing facilities to certain financial entities

Measures under Atmanirbhar Package 1.0, mostly in the form of liquidity and credit support, are estimated to represent a booster shot worth ₹11 trillion to the Indian economy. Atmanirbhar Package 1.0 also included a number of reforms, which if implemented well, could improve India's growth prospects in the long run. These reforms include the liberalization of farm trade, commercializing coal mining, increasing limits of foreign direct investment ("FDI") in the defence sector, improving tehchnology use in disbursement of food subsidy and providing affordable rental housing to the urban poor.

The second tranche of the Atmanirbhar Package (Atmanirbhar Package 2.0) was unveiled by the Government in October 2020, focusing on addressing COVID-19 pandemic driven economic slowdown and incentivizing Government employees to spend under the stimulus package. Atmanirbhar Package 2.0 is expected to create demand worth approximately ₹730.0 billion. The main measures under Atmanirbhar Package 2.0 are set out below:

Target	Demand infusion	Scheme highlights
Consumer spending	**Rs 280.00 billion**	**Leave Travel Concession (LTC) Cash Voucher Scheme** The government has decided to give cash payment in lieu of one LTC during 2018-21. This amount must be spent on non-essentials.

Target	Demand infusion	Scheme highlights
	Rs 80.0 billion	**Special Festive Advance Scheme** As a one-time measure, the government will give Rs 10,000 salary loan to all its officers and employees as festival advance. This will be an interest-free advance. This would be recovered in maximum 10 installments.
Capital expenditure (capex)	**Rs 120.0 billion**	**Special assistance to states** Interest-free loan for 50 years to states, totalling Rs 120.0 billion. This must be spent on capital projects by the end of fiscal 2021. ● Part 1: Rs 16.00 billion to eight northeast states and Rs 4.5 billion each to Uttarakhand and Himachal Pradesh ● Part 2: Rs 75.0 billion to the remaining states ● Part 3: Rs 20.0 billion given to those states that fulfil three of four reforms under ANBP vide expenditure letter
	Rs 250.0 billion	**Enhanced budget provisions** Additional Rs 250.0 billion will be provided for capex on roads, defence, water supply, urban development and locally-produced capital goods

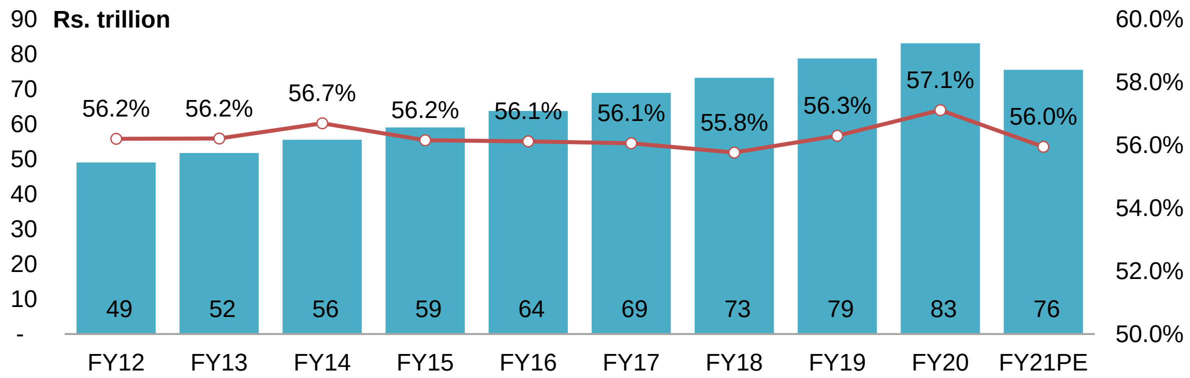
Source: CRISIL Research

In November 2020, the Government has further unveiled measures under Atmanirbhar Package 3.0 worth ₹2.65 trillion to provide relief to the pandemic-hit economy. Of the ₹2.65 trillion measures announced under under Atmanirhar Package 3.0, ₹1.46 trillion are Production-Linked Incentive ("PLI") to encourage domestic manufacturing across ten sectors, namely textiles, food, pharma, consumer durables, auto, telecom, specialty steel, solar, electronic and battery.

Review of private consumption growth in India

India's private final consumption expenditure ("PFCE") at constant prices grew at a CAGR of 6.8% from ₹49.1 trillion in Fiscal 2012 to ₹83.3 trillion in Fiscal 2020. PFCE contributed to approximately 57% of the India's GDP in Fiscal 2020. Growth in PFCE was supported by good monsoons, wage revisions, low interest rates and low inflation. PFCE declined by 9.1% in Fiscal 2021 primarily due to the pandemic, where consumption demand was adversely impacted as a result oflockdowns, employment loss, limited disposable spending and distruption in demand-supply dynamics.

PFCE (at constant prices) and PFCE as a % of GDP



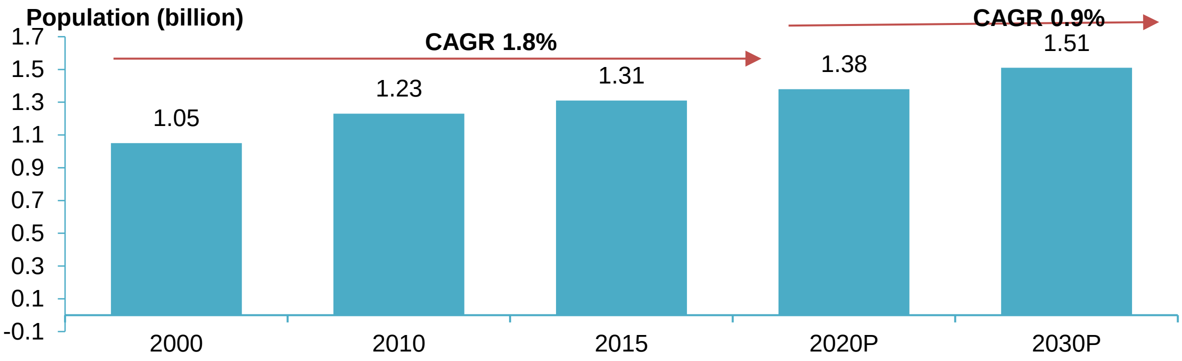
PE: Provisional estimates
Source: Provisional estimates of national income 2021-21, CSO, MoSPI, CRISIL Research

Fundamental GDP Growth Drivers

Growth in India's population

Growth of India's GDP will be driven by, among others, the growth in India's population. Per Census 2011, India's population grew at a CAGR of 1.6% over calendar years 2001 to 2011. According to the "World Urbanization Prospects: The 2018 Revision" Report by the United Nations, India and China, the two most populous countries in the world, accounted for nearly 37% of the world's population in calendar year 2015. The report projects that India's population will grow at a CAGR of 1% to reach 1.5 billion by calendar year 2030, making India the world's most populous country.

India's population growth



P: Projected
Source: World Urbanization Prospects: The 2018 Revision, United Nations, CRISIL Research

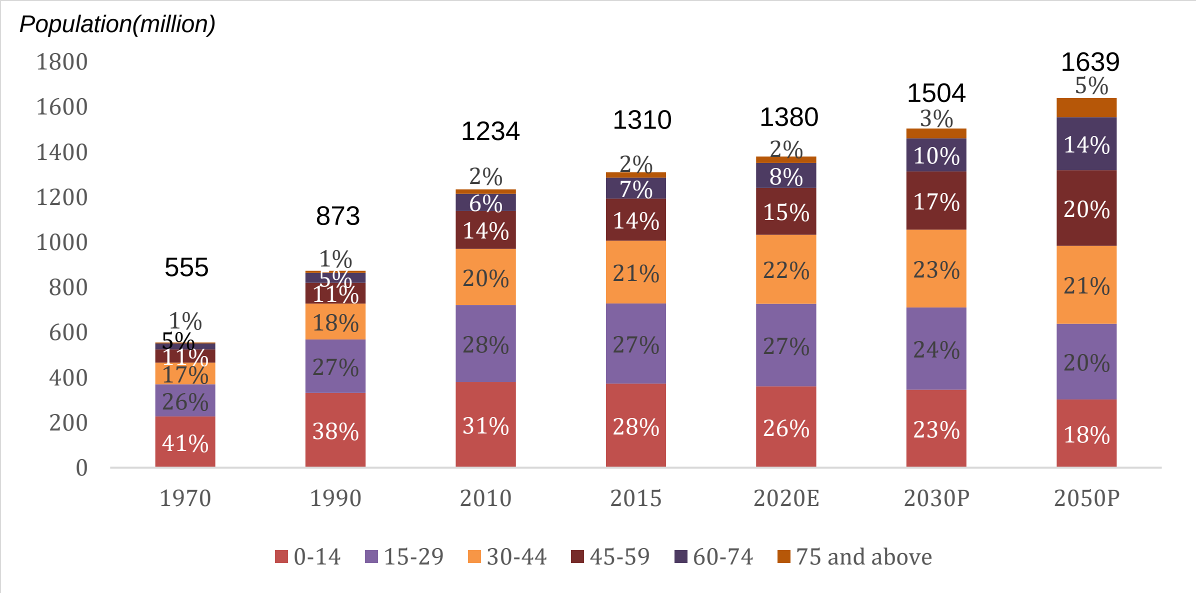
Median age of the India population

According to the United Nations, the median age of the global population rose from approximately 22 years in calendar year 1970 to approximaly 30 years in calendar year 2015. Developed countries exhibits significantly higher median ages. In calendar year 2020, median age in the United States and the United Kingdom were 38.3 years and 40.8 years, respectively, while the median age in India was 28.2 years. India's median age is the lowest even among the developing countries (Brazil, Russian Federation, India and China). This median age trend is expected to continue to 2030, implying increase in income, spending and employment activities in India.

Country	1970	1990	2010	2015	2020P	2030P
Brazil	18.7	22.4	29.0	31.3	33.5	37.7
China	19.3	24.9	35.2	37	38.7	43.0
India	19.4	21.1	25.1	26.7	28.2	31.4
Russian Federation	30.8	33.4	38.0	38.7	39.6	42.6
UK	34.2	35.8	39.6	40.2	40.8	42.4
US	28.4	32.8	36.9	37.6	38.3	39.8
World	21.5	24.0	28.5	29.6	30.9	33.0

P: Projected
Source: UN population estimates, CRISIL Research

Among India's population, the age bracket of 15-29 years accounted for the largest share in calendar year 2020. However, by 2050, the majority of India's population will fall in the 30-44 and 45-59 age brackets.



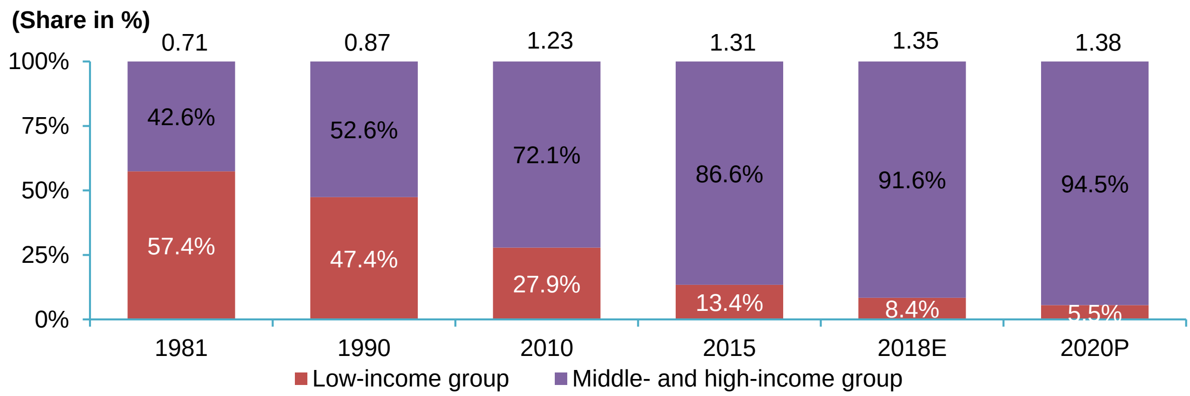
Note: Figures at the top indicate total value of each bar;P: Projected
Source: UN population estimates, CRISIL Research

Increased urbanisation in India and per capital income

India's urban population has been increasing over the past few decades and is expected to continue. According to a United Nations report, nearly 40% of India's poplution is expected to live in urban areas by 2030.

India's per capital income rose at a CAGR of 5.1% from ₹63,642 in Fiscal 2012 to ₹94,556 in Fiscal 2020, primarily due to better job opportunities and overall GDP growth. According to the "Global Economic Prospects, January 2019" report published by the World Bank, the World Bank estimates the number of poor (defined as those living at or below the international poverty line of purchasing power parity of US$1.90 per day) in India dropped from 405 million people in 1981 to 175 million in 2015. The share of poor in India's poplution declined from approximately 57.4% to 13.4% over the same period. The World Bank estimated the absolute number of poor in India to be approximately 77 million in 2020, accounting for approximately 5.5% of India's total population.

A decline in the poor population indicates that the middle- and high-income group in India has grown at a fast pace, from approximately 42.6% in 1981 to 86.6% in 2015. The World Bank estimated that the middle- and high-income group in India to account for appxoimately 94.5% of India's total population in 2020.

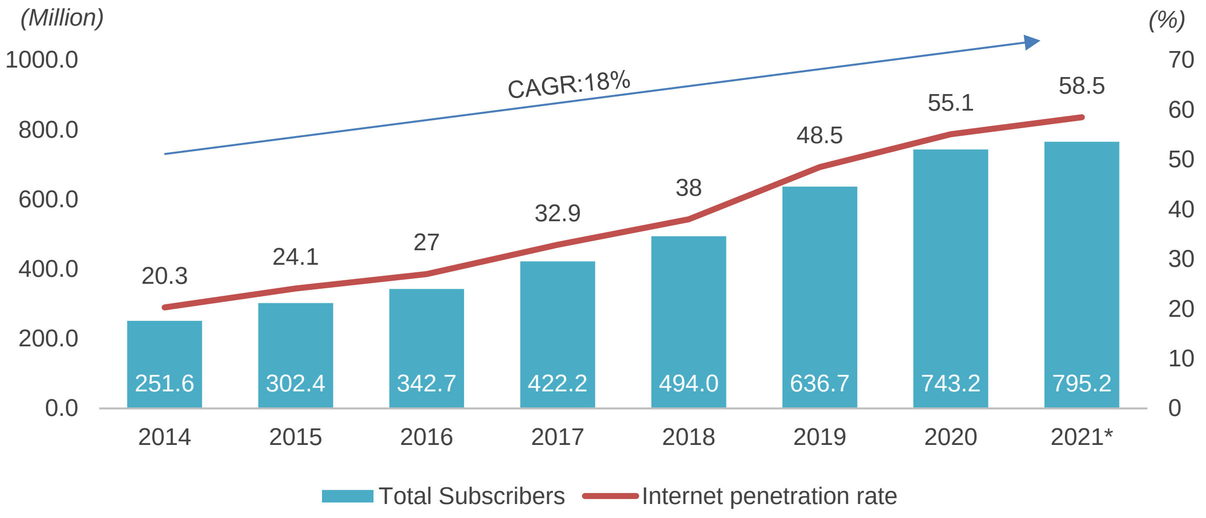


E: Estimated, P: Projected
Notes:
1. The values bar columns indicate the total population in billion for respective years as per UN population estimates.
2. The World Bank defines poor as those living at or below the international poverty line of purchasing power parity of $1.90 per day. Projection for 2020 is based on World Bank data (2018).
3. Low-income group - proportion of population earning less than or equal to $1.90 per day; middle- and high-income group - proportion earning more than $1.90 per day.
Source: World Bank, CRISIL Research

Review of internet penetration in India

Internet and broadband penetration in India had sustained rapid growth in recent years. As at the end of December 2020, the number of internet subscribers in India was 795.2 million. The internet penetration rate (*i.e.*, number of internet subscribers per 100 population) increased from 20.3 in Fiscal 2014 to 58.5 in December 2020, primarily driven by increased use of smartphones and decreased cost of data.

Internet subscribers in India



**2021 data for total subscribers is till December 2020*
Source: Telecom Regulatory Authority of India, CRISIL Research

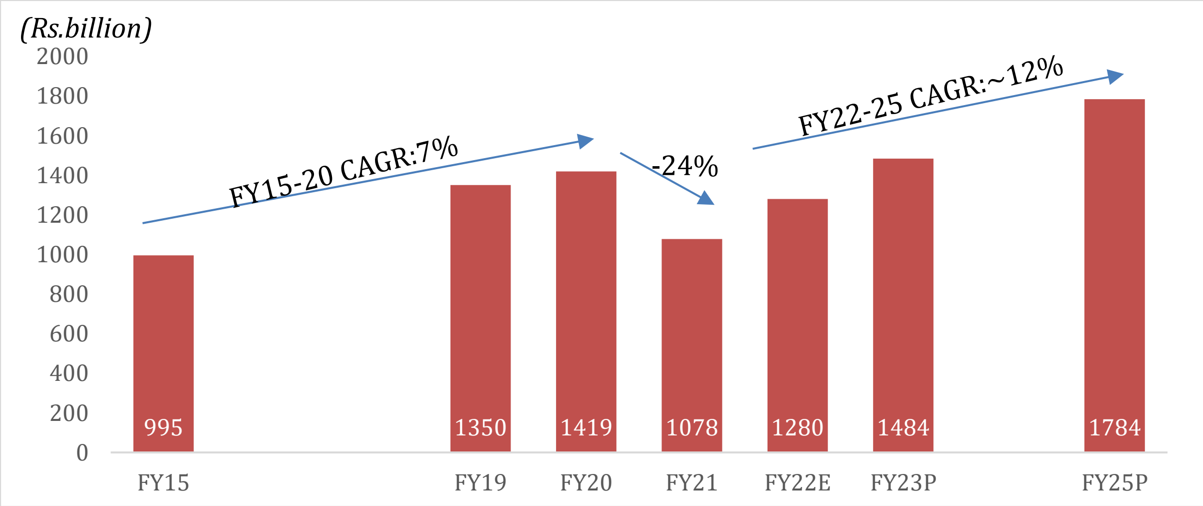
As at end of December 2020, 96.7% of the total internet subscribers were mobile wireless internet users, 3.21% of the total internet subscribers were wired internet subscribers and 0.08% of the total internet subscribers are fixed wireless internet users.

According to Nokia MBiT 2021 study reports, the average monthly data usage per internet user in India grew at a CAGR of 76% from 0.8 GB in calendar year 2015 to 13.5 GB in calendar year 2020, primarily as result of increased mobile video and music consumption. Mobile stands out as the primary source of entertainment as an average Indian spent approximately 5 hours daily on a smartphone, which is one of the highest averages globally.

Overview of the Indian media and entertainment (M&E) industry

Value of the M&E industry in India

According to the CRISIL Report, the value of India's media and entertainment (M&E) industry grew steadily at a CAGR of 7-8% from ₹995 billion in Fiscal 2015 to ₹1,419 billion in Fiscal 2020. The industry contracted by 24% in Fiscal 2021, primarily due to the COVID-19 pandemic. With the reversal of corporate cuts across sectors, revenge spending and increase in demand, increase in average ticket price (ATP) for multiplex players and digitalization, the industry is expected to grow at a CAGR of approximately 12% from ₹1,280 billion in Fiscal 2022 to ₹1,784 billion in Fiscal 2025.



Note-E: Estimated; P: Projected
Source: CRISIL Research

Total advertising revenue in the M&E industryThe total advertising revenue in the M&E industry grew at a CAGR of 8% from ₹430 billion in Fiscal 2015 to almost ₹700 billion in Fiscal 2020. While total advertising revenue decreased in Fiscal 2021 due to the pandemic, CRISIL Research expects that advertising reveue will grow at a CAGR of approximately 7% from ₹700 billion in Fiscal 2020 to ₹1,003 billion in Fiscal 2025. Such growth is expected to be driven by revival of the macro-economy leading to higher advertising spendings, as well as growth in digital advertisement.

The sectors that comprise the majority of the advertising volume are FMCG, telecom, automobile, retail and education. As a result of the adverse impact of the pandemic, advertising spends as a percentage of total reveue in Fiscal 2021 for almost all sectors contracted, except the retail sector which marginally increased. The table below sets forth the amount of advertising spends and the advertising spends as a percentage of total revenue for each major sectors from Fiscal 2016 to Fiscal 2021:

Spends and outlook – key advertising sectors

Industry Name	FY16	FY17	FY18	FY19	FY20	FY21
FMCG						
Advertising spend (₹ million)	81,565	79,073	85,821	96,158	98,426	1,00,163
Ad spend/total revenue (%)	6%	5%	6%	6%	6%	6%
Telecom						
Advertising spend (₹ million)	56,550	48,774	25,188	29,466	31,156	20,627
Ad spend/total revenue (%)	3%	3%	2%	2%	2%	1%
Automobile						
Advertising spend (₹ million)	32,123	32,843	34,160	35,197	33,173	21,263
Ad spend/total revenue (%)	2%	2%	1%	1%	1%	1%
Retail						
Advertising spend (₹ million)	7,663	8,931	9,139	11,277	11,058	7,015
Ad spend/total revenue (%)	3%	3%	2%	3%	2%	3%
Education						
Advertising spend	412	228	147	313	314	158

Industry Name	FY16	FY17	FY18	FY19	FY20	FY21
(₹ million)						
Ad spend/total revenue (%)	6%	5%	6%	6%	6%	6%

Source: Company reports, CRISIL Research

Overview of the Indian M&E industry segments

The media and entertainment (M&E) industry in India covers the following segments: television, newspaper, films, radio, digital, music and outdoor.

M&E industry segmental revenue (Rs. Bn)

	FY18	FY19	FY20	FY21	FY22E	FY25P	FY22-25 CAGR
Rs bn							
Print	306	308	299	188	239	274	5%
TV	618	656	701	650	705	816	5%
Radio	25	28	25	13	20	30	14%
Digital	92	117	140	162	200	358	21%
Films	165	185	194	23	62	221	53%
Outdoor	28	33	32	15	23	36	16%
Music	14	23	28	27	31	49	16%
Total	**1248**	**1350**	**1419**	**1078**	**1280**	**1784**	**12%**

Note-E: Estimated; P: Projected
Source: CRISIL Research

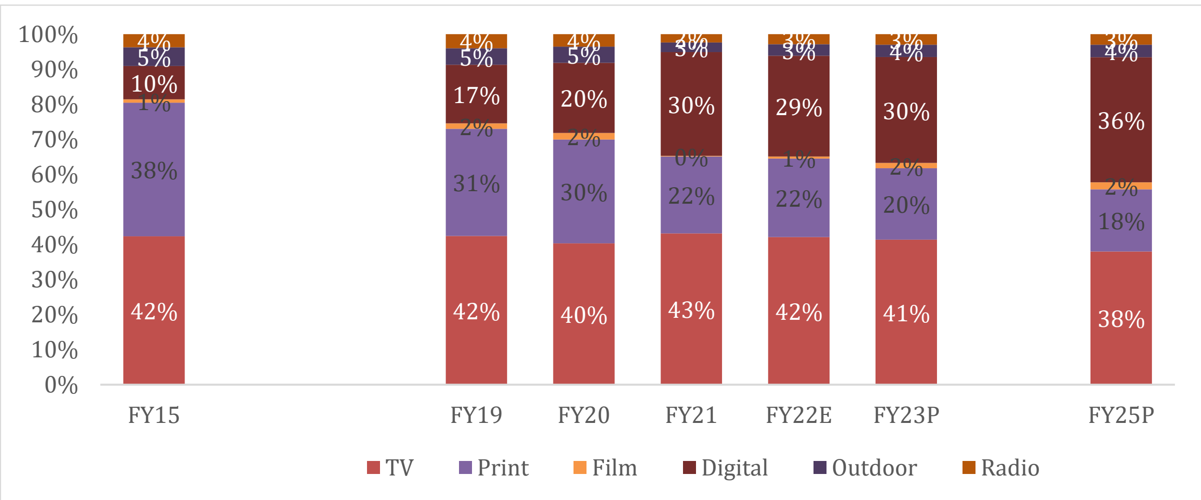
The following table sets out the advertisement revenue by segment:

Advertisement revenue by segment (₹ billion)

Segment Name	FY15	FY19	FY20	FY21	FY22E	FY23P	FY25P
TV	182	297	282	236	293	329	381
Print	164	214	207	120	156	162	178
Film	4	11	13	1	4	12	20
Digital	41	117	140	162	200	240	358
Outdoor	23	33	32	15	23	28	36
Radio	16	28	25	13	20	24	30
Total	430	700	699	547	696	795	1003

E: Estimated; P: Projected
Source: CRISIL Research

Break-up of past and projected ad revenue



Note-E: Estimated; P: Projected
Source: CRISIL Research

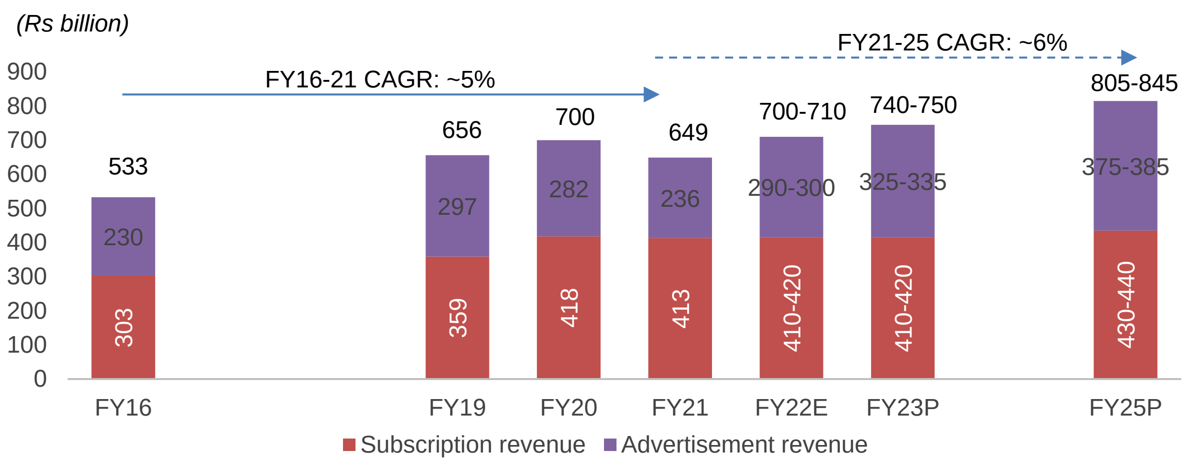
Television

The television value chain comprises content providers, broadcasters, distributors and subscribers.

- Content Providers: Content providers supply content either on a commissioned or sponsored basis.
- Broadcasters: Broadcasters uplink content supplied by content providers to a satellite for broadcasting into TV homes. Competition is intense among broadcasters as the entry barriers are low and viewers have plenty of options.
- Distributors: Distributors link broadcasters with end consumers. There are around 1,740 registered multi-service operations (MSOs] with the Ministry of Information and Broadcasting (MIB) and 60,000 local cable operators in the Indian television market. This is a highly fragmented and unorganised chain.
- Subscribers: There are over 160 million cable & satellite (C&S) subscribers in India, who pays charges of ₹100 to ₹400 per month depending on their locations. These subscribers often do not have a choice in terms of subscriptions, as LCOs enjoy monopoly in their respective areas. However, it is expected that subscribers will be opened up to different choices with increasing acceptance of digital viewing platforms such as digital cable and direct-to-home (DTH).

The value of the television industry in India grew at a CAGR of approximately 5% from ₹533 billion in Fiscal 2016 to ₹649 billion in Fiscal 2021. Revenue from the television industry in Fiscal 2021 contracted by approximately 7% from Fiscal 2020, primarily due to decrease in advertisement and subscription revenue as a result of the weak macro environment. CRISL Research expects that revenue from the television industry in India to grow at a CAGR of approximately 5 to 7% from ₹649 billion in Fiscal 2021 to ₹805-845 billion in Fiscal 2025. Subscription revenue is expected to remain flat in Fiscal 2022 and Fiscal 2023. Television subscription is under pressure despite the lockdown as customer shift focus to free and affordable over-the-top (OTT) platforms.

Television industry revenue



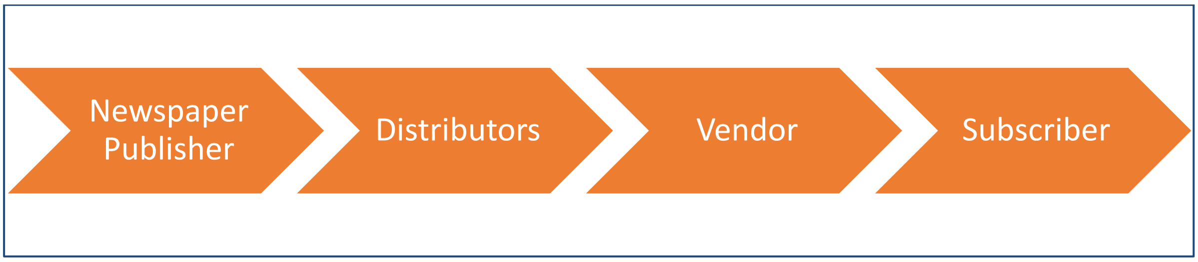
E: Estimated, P: Projected
Source: CRISIL Research

Newspaper

India is one of the largest newspaper markets in the world. Number of readers are rising despite increasing internet penetration, primarily due to a rise in literacy levels and relative under-penetration of newspapers. The industry is extremely fragmented and enjoys regional diversity. With over 2,000 daily newspapers in the country, no single newspaper dominates national circulation. The Indian newspaper industry may be segmented by languages, namely English, Hindi and regional languages. Approximately 90% of the newspapers in India are published in Hindi and regional languages, with the rest in English. The industry can also be segmented by genres, namely general and business. Nearly 70% of revenue of the Indian newspaper industry is driven by advertisements.

There are three main players in the newspaper supply chain, namely newspaper publishers, distributors and vendors. Once a newspaper is published, it gets dispatched to distributors across a region. The distributors, in turn, appoint agents/hawkers/vendors who deliver newspapers at the subscribers' doorsteps or sell them at their stands. Newspaper publishers pay a commission of 30-35% of the selling price of the newspaper to distributors and vendors.

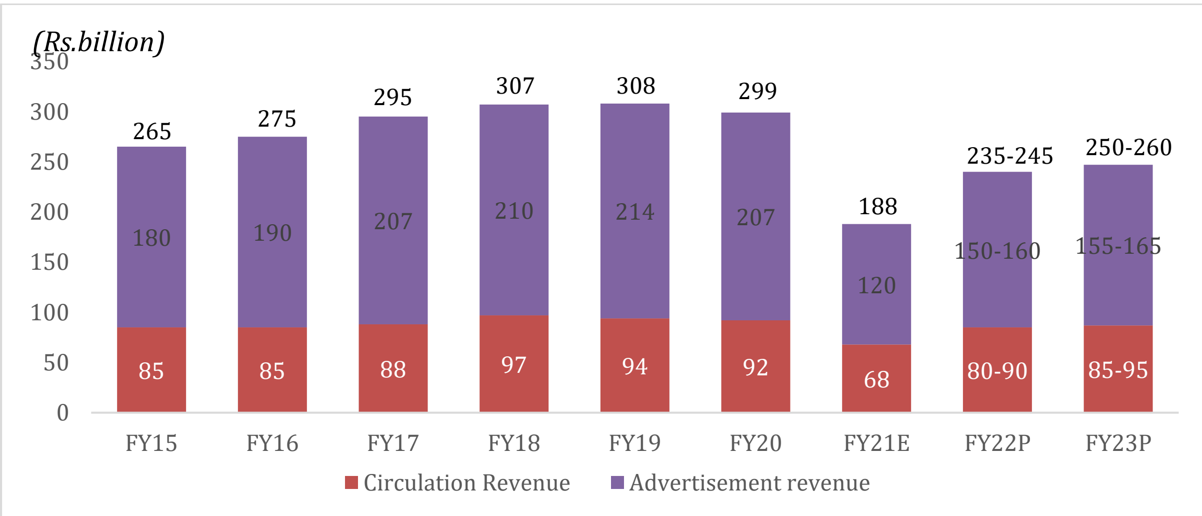
Distribution process in newspaper supply chain



Source: CRISIL Research

Revenue generated by the Indian newspaper industry contracted by approximately 38-40% in Fiscal 2021 due to restricted circulation in first half of Fiscal 2021 as well as reduced advertising spendings by various sectors. In Fiscal 2022, the Indian newspaper industry is expected to grow by 25-30% on-year to reach Rs. 235 to 245 billion, primarily on account of recovery in advertising revenue and circulation revenue. In the medium term, revenue generated by the Indian newspaper industry is expected to grow at a CAGR of 4-6% between Fiscal 2022 and Fiscal 2025. Partly due to the pandemic, consumers shift their focus to digital news. The Indian newsprint is expected to lose its market share to the digital media industry.

Newspaper revenue trend and outlook



E: Estimated, P: Projected
Source: CRISIL Research

Film

India's film industry is one of the largest players globally in terms of film production and theatre admissions. The film industry comprises of the following three vital components:

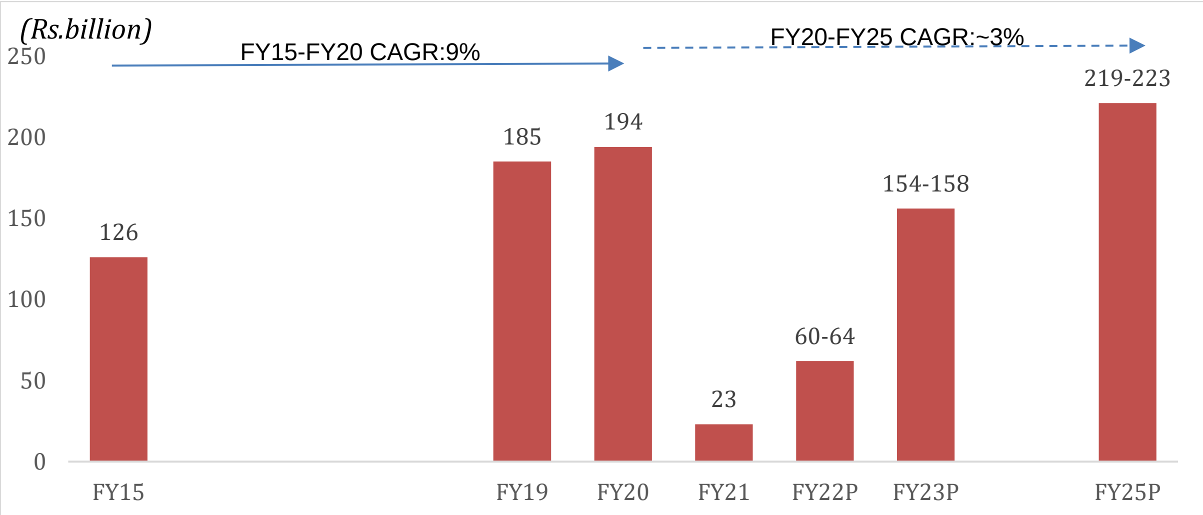
- Production: A film producer arranges for the shooting, editing and dubbing of a film, and delivers the film to the audience.

- Distribution: Film distributors buy distribution rights of a film from a producer in respect of a territory or across several territories. In return, they offer a minimum guarantee fee to the producer. Distributors may also play other roles, such as part-financing film, involving in print and publicity, selecting exhibition halls and managing distribution of film prints.

- Exhibitors: Exhibitors are the link between film distributors and the audience and controls.

According to the CRISIL Report, the film industry was significantly impacted by the pandemic in Fiscal 2021, as theatres, including multiplexes, are usually the first to close and the last to reopen during a lockdown. As macroeconomic environment stabilizes, CRISIL Research expects that footfalls and occupancy to improve going forward, although the industry is still expected to face competition from OTT. It is expected that revenue from the Indian film industry will grow at a CAGR of approximately 3% from ₹194 billion in Fiscal 2020 to ₹219-223 billion in Fiscal 2025.

Film revenue trend and outlook



E: Estimated, P: Projected
Source: CRISIL Research

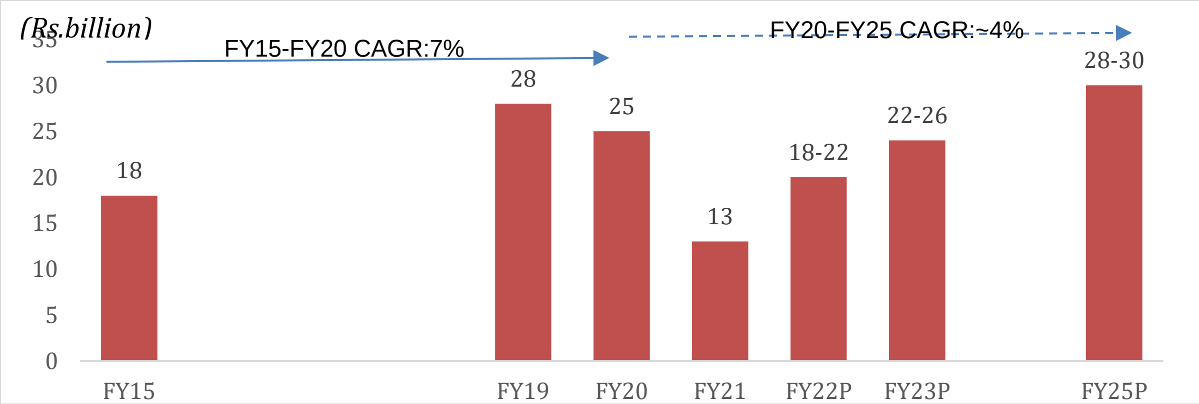
As a result of the pandemic, many single screens have suffered heavy loss, resulting in closing down or conversion into multiplex. CRISIL Research expects this trend to continue in the near future, resulting in an increasing market share of multiplex in the film industry. Domestic theatrical revenue is expected to be adversely impacted by shorter window for film exhibition, increasing piracy and increasing ability to download content online. Such negative impact may be partially offset by loyalty schemes and unlimited plans introduced by large multiplex players.

In the absence of threatrical releases due to the pandemic, OTT releases gained prominence. In Fiscal 2021, major OTT players, such as Amazon Prime Video, Netflix, Disney Hotstar and Zee5, purchased digital rights of films for direct release on their platforms. This presents a window for many small and mid-budget movies to direct release their films on popular OTT platforms. Popularity of OTT is expected to negatively impact the cable & satellite (C&S) segment in the near future.

Radio

Radio is largely considered to be the cheapest primary advertisement channel by advertisers. Revenue generated by the radio industry grew at a CAGR of approximately 6% from ₹18 billion in Fiscal 2015 to ₹25 billion in Fiscal 2020. Radio accounted for approximately 2% and 4% of the M&E industry's total advertising revenue in Fiscal 2021 and Fiscal 2020, respectively. In the medium term, CRISL Research expects the radio segment to grow at a CAGR of approximately 4% from ₹25 billion in Fiscal 2020 to ₹30 billion in Fiscal 2025, primarily on account of revival in corporate spending, overall rise in advertisement volume and rates as well as launch of new channels.

Radio revenue trend and outlook



E: Estimated, P: Projected
Source: CRISIL Research

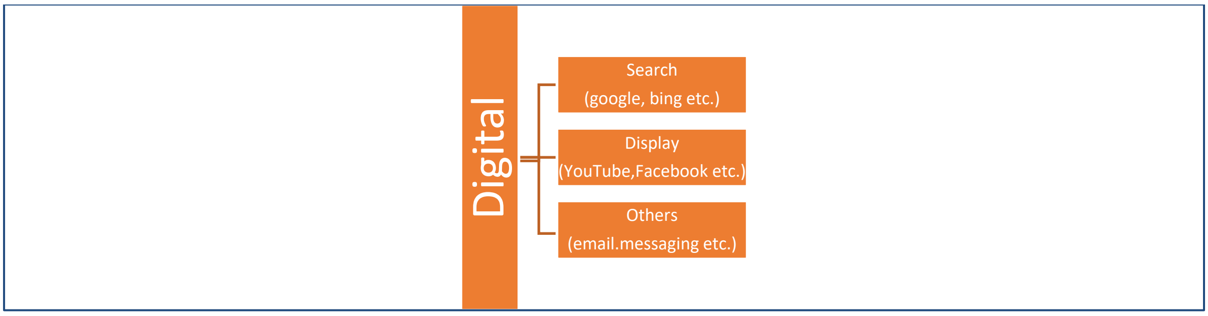
Future growth of radio advertisements is expected to be driven by launch of new channels, expansion in reach to consumers through acquisition of new frequencies, state election events, increase in advertisement rates, new initiatives taken by players in the radio segment to sustain popularity of radio stations, as well as ease of regulations in the industry.

Digital

Among the M&E industry, the digital segment is expected to grow among all media segments over the next few years, primarily due to the increased penetration of smartphones and high-speed internet services, as well as growing acceptance of digital media among advertisers.

The major sub-segments of digital advertising are search, display and others.

Major sub-segments under digital advertising



Source: CRISIL Research

- Search: Advertisement revenue is generated from featured advertisements that appear on top of search engines while users search the internet. This includes paid listings, inclusion and contextual text links. As of 2020, Google holds a dominant market share position (95%) in this sub-segment.

- Display: This sub-segment comprises rich media, banners, videos and advertisements of a company displayed on a website or blog. As of 2020, Google also holds a dominant market share position (70%) in this sub-segment, with the remaining market shared among other major players such as YouTube, Google Finance, Facebook and other news sites such as Times Internet Group and Network 18.

- Others: This sub-segment comprises advertisements contained in emails and messages.

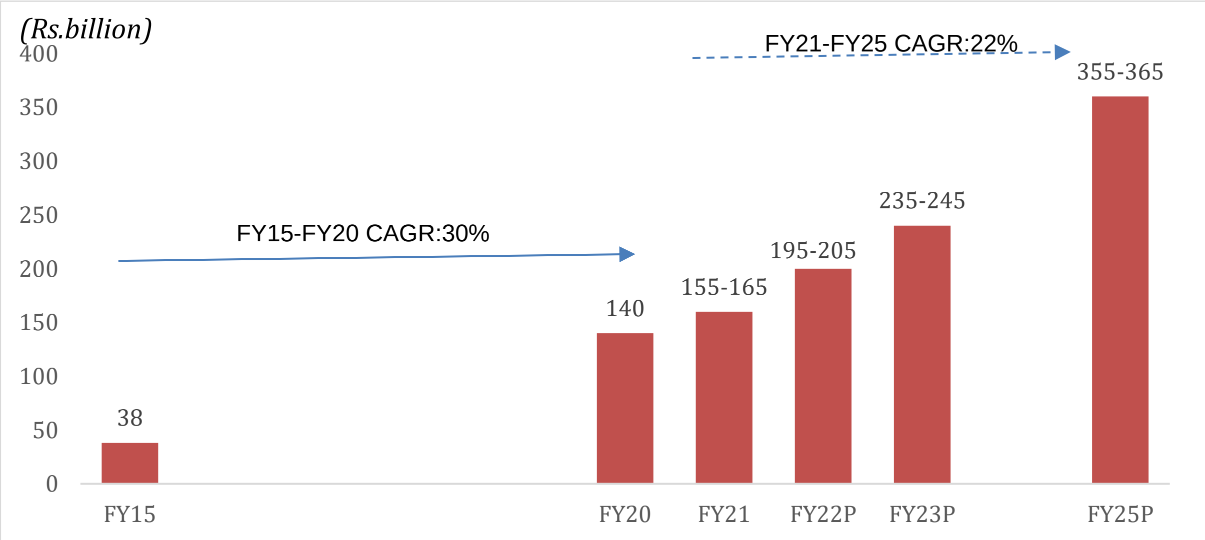
According to the CRISIL Report, revenue generated by the Indian digital advertisement segment increased at a CAGR of 29% from ₹38 billion in Fiscal 2015 to ₹140 billion in Fiscal 2020. Despite the pandemic, revenue generated by the digital segment was still on an increasing trend in Fiscal 2021. Advertisers are preferring the digital platform as compared to other media platforms for the following reasons:

- Data consumption in India is on the rise. In particular, data consumption (in GB/month) increased by 16% on-year in Fiscal 2021, partially due to the COVID-19 pandemic.

- The wide-variety of advertisement options available in the digital space can cater to a variety of advertising motives, such as primary campaigns and brand recalls.

CRISIL Research expects that the revenue generated by the digital space to increase at a CAGR of 20-25% from ₹140 billion in Fiscal 2020 to ₹355-365 billion in Fiscal 2025.

Digital revenue trend and outlook



E: Estimated, P: Projected
Source: CRISIL Research

Growth in the digital advertisement segment is expected to be driven by:

- Increase in wireless subscribers: The number of telecom wireless subscribers in India is expected to reach 1.2 billion by Fiscal 2025, of which approximately 91% are expected to be data subscribers. This large number of data subscribers presents a huge addressable market for digital advertising.

- Increase in smartphone sales: The total value of smartphones sold in India is expected to double from Fiscal 2019 to ₹1.45 trillion in Fiscal 2025.

- Increase in data usage: The ongoing price war in the telecom industry has resulted in consumers being the ultimate beneficiaries, in terms of data usage. In Fiscal 2020, the average data usage across 2G, 3G and 4G subscribers is close to 11GB per subscriber per month. This increase in data usage adds to the appeal of digital advertising.

- Surge in digital payments: With increased adoption of smartphones, there has been a surge in digital payments recently. Mobile banking and mobile wallets will be key in driving payments in the digital transaction space, providing opportunity for advertisers to monetise payment gateways as a medium for advertisement.

- Low cost of digital advertisements: The cost of digital advertisement is lower than traditional media, such as television and print. Also, real-time analysis of customer interactions on digital platforms reveal deeper insight regarding customer preference that assist advertisers to tailor their advertisement and showcase personalized offerings. As such, digital advertising delivers to advertisers a better return on investment.

- Emergence of OTT platforms: Video display advertisements are becoming popular with the emergence of OTT players' videos on demand (VOD) services.

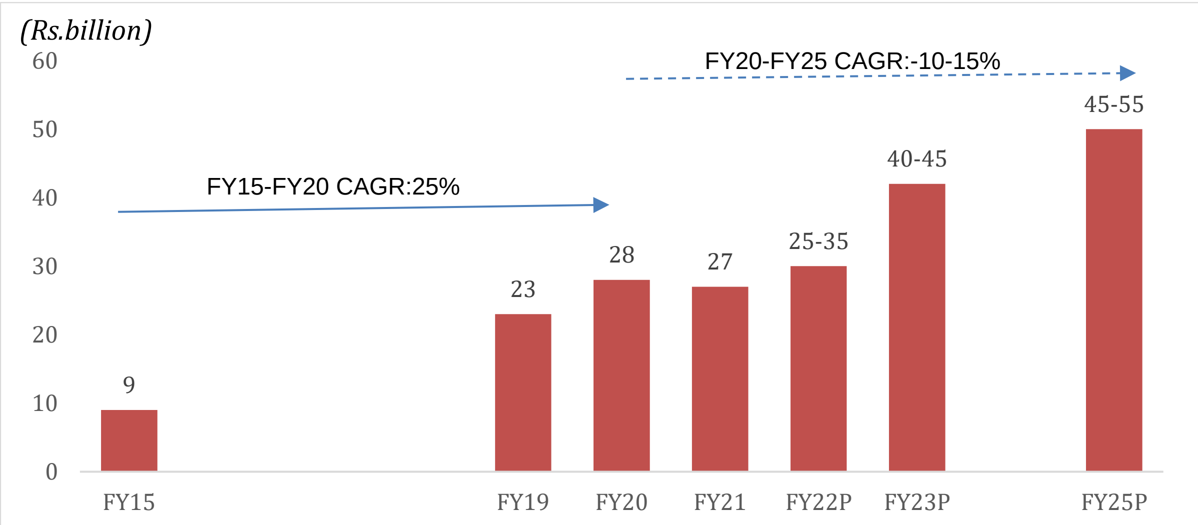
- Emergence of e-commence advertising: E-commerce advertising is the process of driving sales through contextual advertisements using customer search and purchase data to better understand customer preferences. E-commerce advertising is expected to lead to high conversion rate as compared with other traditional advertising options, since the e-commerce advertisements are customized to every unique registered visitor.

Music

The global music industry is undergoing a dramatic structural change with music distribution going digital and mobile worldwide. Rapid transition of music distribution from physical forms to digital platforms has forced music companies to reconsider business strategies and introduce innovative methodologies to package and distribute music content. Such rapid structural change is driven by increasing penetration of high-speed broadband internet connections and mobile networks, increasing adoption of mobile handset, increasing popularity of social networking sites, ability to digitize entire music catalogues by players, as well as continuous improvements in technical specifications and capabilities of digital players.

Revenue generated by the Indian music industry increased at a CAGR of 25% from ₹9 billion in Fiscal 2015 to ₹28 billion in Fiscal 2020, primarily on account of growth in digital music. CRISIL Research expects revenue generated by the Indian music industry to grow at a CAGR of 10-15% from ₹28 billion in Fiscal 2020 to ₹45-55 billion in Fiscal 2025, largely driven by digital and streaming revenue.

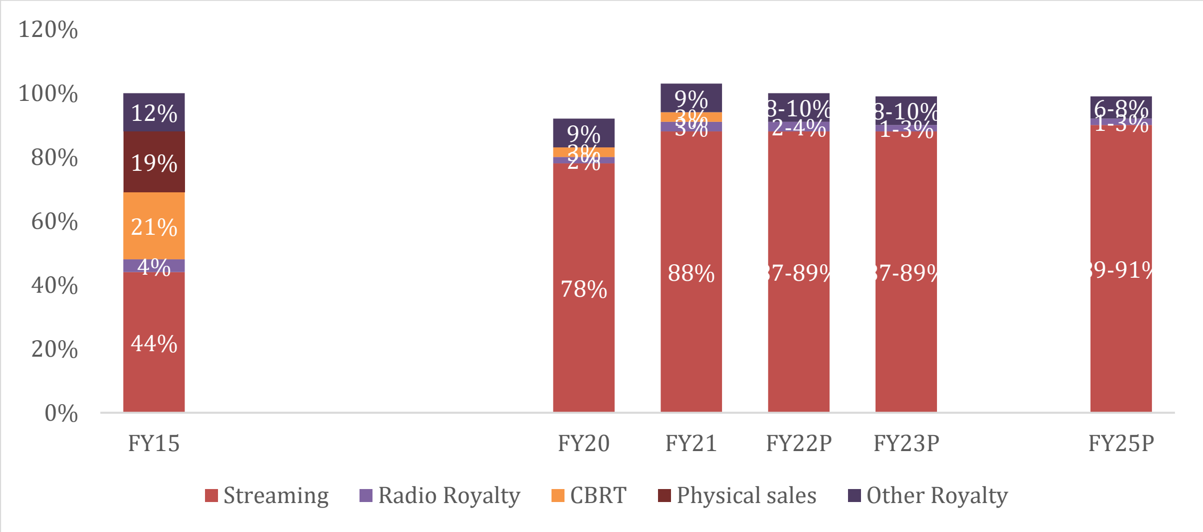
Music industry revenue trend and outlook



E: Estimated, P: Projected
Source: CRISIL Research

Music streaming (including downloads) is the preferred mode of consumption of music. In fact, revenue generated by digital music accounted for approximately 88% share of the entire Indian music industry in Fiscal 2021. Going forward, decline in mobile data prices and increased availability of affordable smartphones are expected to continue to drive the growth of music streaming. CRISL Research projects that approximately 91% of the revenue generated by the overall music industry in India in Fiscal 2025 will be from music streaming.

Segment wise revenue in music industry



E: Estimated, P: Projected
Source: CRISIL Research

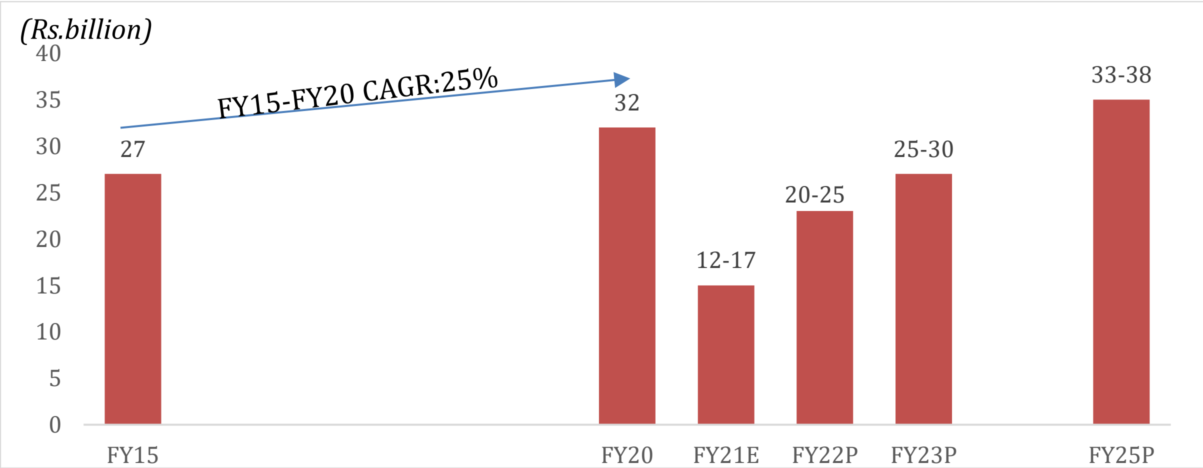
Spotify, the top global music streaming platform launched in 2008, entered the Indian market in 2019. By end of 2020, Spotify had over 345 million monthly active subscribers in India. Spotfiy's launch was followed by YouTube releasing its own premium music streaming app, YouTube Music. The Indian streaming industry has became extremely competitive. The launches of Spotify and YouTube Music had resulted in substantial price cut of Indian players such as Gaana and Jio-Saavn. The major sources of revenue for these players are advertisements and subscription revenue, with the advertisement revenue forming the major part of the topline.

Outdoor advertising

In fiscal 2020, Out-of-home (OOH) advertising accounts for 2-4% of the overall Indian advertising industry. Growth in this segment depends on macroeconomic factors and spending across various industry sectors as such telecom, retail, automobiles, FMCGs, consumer durables and e-commerce.

In Fiscal 2021, revenue generated by OHH advertising fell significantly by 50-55% on-year as a result of the COVID-19 pandemic. Travel restrictions, lockdowns and overall consumer behavioral changes to avoid non-essential travel result in fewer people going outdoor, decreasing the appeal of outdoor advertising. CRISIL Research expects this segment to grow slight at a CAGR of 1-3% from ₹32 billion in Fiscal 2020 to ₹33-38 billion in Fiscal 2025.

Outdoor revenue trend and outlook



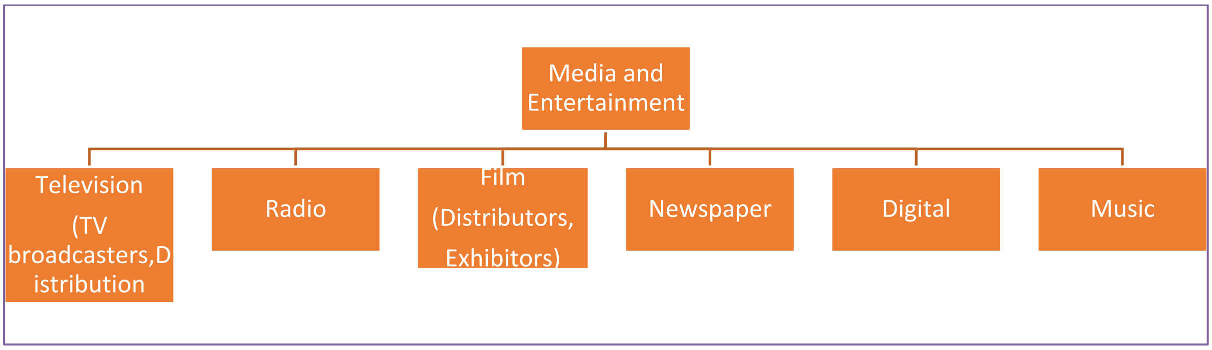
E: Estimated, P: Projected
Source: CRISIL Research

Assessment of the Music Distribution Industry in India

Music and Entertainment Industry in India – Overview

The media and entertainment industry in India covers a broad array of segments, such as television, newspaper, digital, films, radio and music. Many of these segments are interlinked and can act as the building blocks for revenue streams for other segments in the industry. The media and entertainment industry has grown at a healthy pace in the past few years as a result of increased spending on content and advertising, as well as an overall rise in content consumption by the population. The rise in consumption can be attributed to a marked shift in consumption of media to digital channels by a majority of the population. Increased smartphone usage and affordable data rates have propelled the digital revenue of the Indian media and entertainment industry.

Snapshot of the Segments of the Indian Media and Entertainment Industry



Source: CRISIL Report

Indian Music Industry – Overview

Globally, the music industry is riding the wave of digital streaming sales. According to the CRISIL Report, subscription streaming is one of the biggest growth drivers for the global music industry. The industry has also adapted to changes in business models. Key initiatives undertaken by the industry that has contributed to its recent growth include licensing of music to digital services operating across international and local regions and markets, expanding the operations of companies and investing locally in artists.

Music in India has cultural and social importance. Music is consumed in different languages across India. Unlike music and entertainment companies in Europe, US and Latin America, the Indian music industry has not been able to fully capture the opportunities provided by the favourable demographics and other driving factors in India. One of the main reasons is that piracy in India occurs at a higher rate than the global average. The Indian music industry, which derives a majority of its revenues from movies, is dominated by film music. Music labels or music distribution companies acquire the rights for these movie songs. Music distribution companies then distribute the music through licencing deals or retail channels.

Digital segment dominating the music distribution industry

Structural change in the global music industry

According to the CRISIL Report, a dramatic structural change is occurring in the global music industry with music distribution going digital and mobile worldwide. Licensed digital distribution of music and mobile music now dominate music distribution. CRISIL Research portends that the distribution of music through physical media may barely exist in a few years.

The sharp transition of music from physical to digital platforms has forced music companies to reconsider business strategies and come up with innovative methodologies to package and distribute music content.

Driving forces behind structural changes

According to the CRISIL Report, the following are some of the key driving forces that have supported the structural change in music distribution:

- increasing penetration of high-speed broadband internet connections and mobile networks, and uptake of high-speed services by telecom operators, with the rising wireless subscriber base;
- increased availability and adoption of mobile handsets, with higher download, storage and playback capacities;
- mobile handset companies having developed music-enabled phones specifically targeted at music buffs, who wish to have their choice of music on the go;
- digitisation of entire music catalogues by players;
- continuous improvements in technical specifications and capabilities of digital players; and
- use of social networking sites as a promotional tool for the Indian music fraternity.

Traditional physical format versus digital and mobile music

	Traditional physical format	Digital and mobile music
Convenience	A walkman/discman is needed to listen to music while on the move	Can carry music on their mobile devices
Choice	Consmers have to buy the entire album even if they like only one song in the entire album	Music is unbundled and then sold. It is possible to download and listen to one song
Content protection	Rampant piracy resulting from making copies of cassettes, CDs, VCDs and DVDs	Piracy can be controlled through digital rights management
Sales, distribution and	High reliance on distributors for selling music Giving national exposure to new talent can be a costly proposition	Direct distribution of music to consumers possible. Relatively inexpensive as targeted marketing is possible. More easy to tap local talent

Source: CRISIL Research

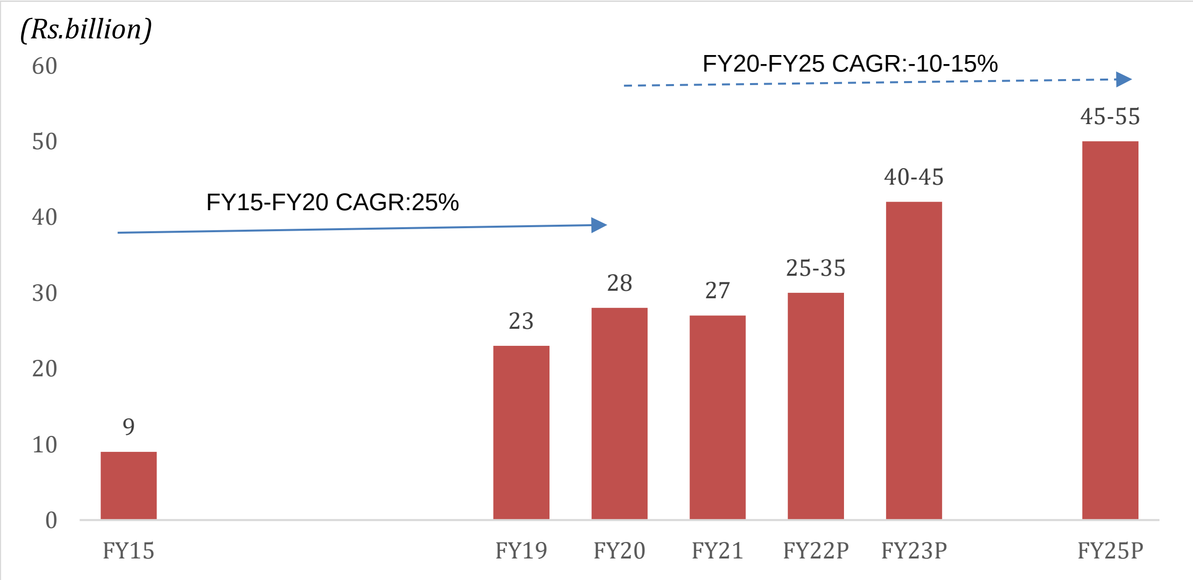
Digital has substituted physical sales as the go to medium for music consumption

India's music industry has evolved at a fast pace over the past few years, with the industry clocking revenue of approximately 23% compound annual growth rate (CAGR) over Fiscals 2015 to 2020, according to the CRISIL Report. The high revenue growth trajectory has been aided by growth in digital music revenue.

Music streaming (including downloads) is the preferred mode of music consumption, be it standalone or operator-backed streaming services. According to the CRISIL Report, digital music comprised an 88% of the Indian music industry's Fiscal 2021 revenue of approximately ₹27 billion. Physical sales and caller back ring tone (CBRT) sales have been declining, with physical sales almost at insignificant levels in Fiscal 2021. In Fiscal 2022, CRISIL Research expects the industry to bounce back 14-18% with the availability of new content and revival of corporate spends. Further, a decline in mobile data prices, an evolving handset ecosystem, along with availability of affordable smartphones and overall growth in smartphone shipments are set to continue to support the growth of music streaming. CRISIL Research expects that the share of the revenue pie from physical sales and caller back ring tone sales is further expected to decline with digital streaming leading the share.

Domestic streaming is estimated to improve year-on-year with the release of movies while international streaming is also expected to bump up in Fiscal 2023. Public performance revenue rights, which remained nil in Fiscal 2021 and are estimated to remain muted in Fiscal 2022, are also expected to revive in Fiscal 2023 with easing of social distancing measure on account of vaccination progress aiding an estimated growth of 20-25% year-on-year, according to the CRISIL Report.

Music industry revenue trend and outlook



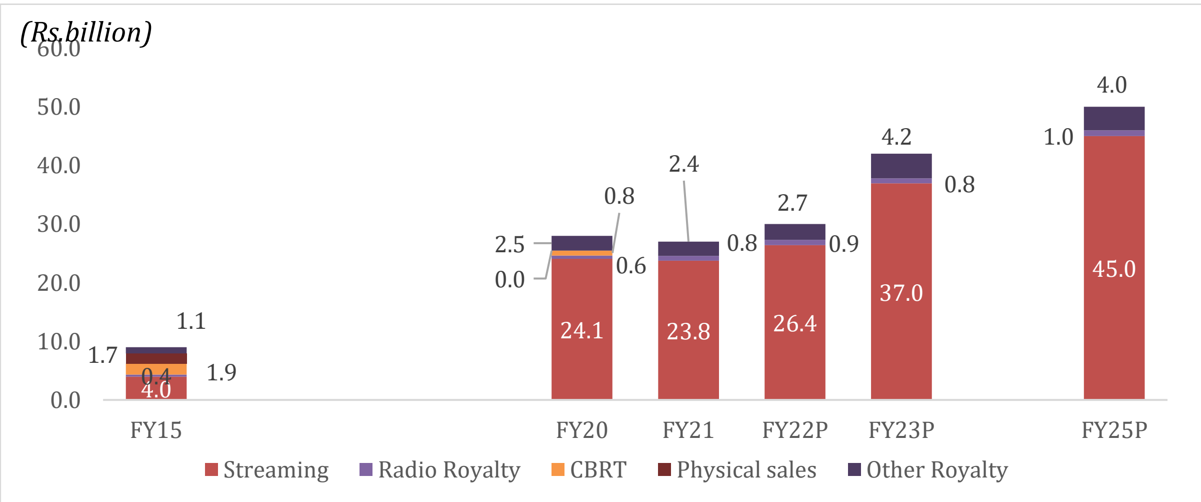
E: Estimated, P: Projected
Source: CRISIL Research

According to the CRISIL Report, between Fiscals 2020 to 2025, the industry is expected to continue to clock healthy growth of 10-15% CAGR, reaching approximately ₹55 billion by Fiscal 2025, driven by digital and streaming revenues and penetration of internet usage in urban and rural India.

Increasing share of streaming apps in music industry revenue basket

As mentioned, within the space, the music streaming segment has been growing at a tremendous pace, posting more than 48% CAGR during Fiscal 2016 to 2021, to approximately ₹23.8 billion. While it currently comprises approximately 88% of the overall music industry revenue, CRISIL Research projects it to expand to approximately 91% by Fiscal 2025 with the pace of growth sustaining. This segment, in particular, has been witnessing new developments, with telecom operators and content producers tying up with music over-the-top platforms in order to gain a larger share of the market.

Segment wise revenue in music industry



E: Estimated, P: Projected
Source: CRISIL Research

Physical sales and CBRT revenue to decline significantly; digital music will drive industry

Physical sales, in the form of cassettes and compact discs, has seen a sharp decline over the last few years, particularly following the advent of streaming. With increasing smartphone and data penetration, consumers are increasingly preferring music on-the-go. Hence, digital music has witnessed exponential growth in the past few Fiscals, and has supplanted physical sales.

India has a large wireless subscriber base (more than 1.18 billion subscribers, as of Fiscal 2021). Given the huge wireless subscriber base, in the initial years, music companies have tied up with mobile content aggregators and service providers to offer services such as ringtones, CBRTs and full-track downloads.

Over the years, CBRTs lost out on popularity due to a tectonic shift in consumer preference towards downloading and listening to music online/digitally. Owing to cheaper data tariffs and affordable smartphones, CRISIL Research expects the value proposition of CBRTs to eventually constitute only a marginal share of overall music industry revenue, with operators focusing on other data-centric mobile value-added services (MVASs), such as mobile wallets and music/video streaming. The CBRT market has been under pressure over the last three years, contributing a negligible share of the overall revenue as of Fiscal 2021.

The entry of Spotify has disrupted the streaming sector with major players like Gaana, Saavn, etc. reducing their prices by almost 70%

Spotify, a Sweden-based music streaming platform, was originally launched in October 2008. It is the top music service provider globally, with the highest subscriber base and library size. Spotify, which launched in India in late February 2019, acquired 1 million customers in the first week, and had 2 million users as of March 2019. By end of 2020, Spotify's monthly active India subscriber base reached over 345 million (out of which 155 million were paid subscribers), implying a substantial scale up since its launch. With its enhanced features like curated playlists based on user preferences, genre-based recommendations, podcasts, lyrics etc., Spotify has quickly managed to grab the users' attention, primarily in metros and tier-1 cities.

Spotify's launch in India was followed by YouTube releasing its own premium music streaming app, YouTube Music in March 2019. Although, the subscription rate of YouTube Music Premium was ₹99 per month, it announced a massive 40% discount to students, who are the primary targets of streaming apps. Following these two launches, Indian players, such as Gaana and Jio-Saavn, cut their prices by a whopping 70%, in addition to launching their own student discounts.

At the current juncture, the Indian streaming industry has turned extremely competitive, and is expected to intensify further resulting in consolidations, as smaller players find it increasingly difficult to stay afloat. However, major Indian players such as Gaana and Jio-Saavn may have an edge as they cover more than 15 regional languages, which is a very important factor in the Indian context. Additionally, these players have an existing user base, which may not easily switch on a permanent basis.

While a majority of the players in the segment enable their users to listen to content for free, players also have premium subscription plans, which enable users to cache and save songs and access them later even without data. The major sources of revenue for these players are advertisements and subscription revenue, with advertising revenue forming a major part of their topline. CRISIL Research believes that telecom companies will emerge as key distributors of digital music content as they can leverage on their existing large subscriber base. A similar trend has been observed across the globe, where telecom companies have either acquired or partnered with/integrated standalone streaming services into their services.

Royalty revenue from radio to remain stagnant given the 2% revenue sharing arrangement

Radio players need to pay a royalty fee to music companies to stream music on their channels. These royalties are paid to associations such as Phonographic Performance Ltd and The Indian Performing Right Association for Hindi music, and South Indian Music Companies Association for South Indian music. However, revenue from royalties constitutes a marginal share of the overall revenue, as most radio stations have agreed to pay only 2% of their net advertising revenue to music companies, as per the revenue-sharing arrangement mandated by the Copyright Board in 2010. Hence, the contribution from radio to total music industry revenue was only around 3% in Fiscal 2021. CRISIL Research expects radio's revenue contribution to be at the same level for the next three Fiscals.

Global digital revenue increasing

Global music majors and technology companies are actively investing in licensed digital delivery of music through the internet, which serves to underscore the shift taking place in music distribution. In India, Indiatimes, Gaana and Saavan offer legal music downloads. Consumer acceptance of paid-for music downloads is also rising.

Sensing this potential, Apple launched its iTunes store (a music shop on the internet) in India in December 2012. This permits users to buy local and international music and movies from the store.

Digital technology driving the revenues of Indian music fraternity

Digital distribution of music gained an edge over music distribution in physical form in 2010. The year saw companies entering into agreements with social networking sites to promote music content and reaching out to audiences through various interactive platforms.

According to the CRISIL Report, revenue from streaming music is estimated to have contributed about 87% to total industry revenue in Fiscal 2020, from 11% in Fiscal 2014, marking a significant shift in consumer preferences to digital formats. Streaming music revenue increased because of the rise in mobile and broadband penetration, the rollout of high-speed data services and other technological advances. Consequently, the proliferation of digital music has sharply cut down physical sales, *i.e.*, physical media sales and caller back ring tones (CBRT) have been declining, with physical media sales being almost insignificant in Fiscal 2020.

Most music companies today treat the mobile-music business as a key distribution channel, with India's mobile subscriber base growing continuously. When a new album is released in the market, music companies not only promote the album in traditional ways, but also enter into tie-ups with mobile content aggregators and service providers for ringtones, to promote the album. Revenue earned from the sale of mobile music is shared between the music company, the content aggregator and the telecom operator. However, this revenue-sharing is skewed in favour of the telecom operator, which holds the all-important billing relationship with the end-subscriber.

India's internet penetration to reach 75% by fiscal 2025 led by 4G, thereby driving online music consumption

India has witnessed a surge in internet users over the past few years with internet penetration as a percentage of total population crossing 50% as of Fiscal 2020 as compared with less than 20% in Fiscal 2015. CRISIL Research expects the total number of internet subscribers in India to reach 1,000 million by Fiscal 2025 resulting in approximately 75% internet penetration. By 2025, CRISIL Research expects a complete transition of 2G and 3G data services to 4G. This can be attributed to increased demand for data, competitive pricing of 4G services and availability of affordable handsets. Consequently, CRISIL Research expects narrowband to be on the decline as better speeds become available to users at lower price points.

Prices of smartphones have dropped sharply over the past few years. Improvement in telecom technologies and the advent of 4G has boosted average internet speeds, data traffic, data usage per subscriber and added more wireless data subscribers. Wireless technologies have also helped service providers overcome infrastructure constraints and reach areas that were inaccessible earlier. CRISIL Research predicts that the availability of 4G data services in smaller cities and rural areas will further drive data usage going forward. Increased internet penetration has enabled more digital content consumption as more and more people get access to internet.

Smartphone usage and 4G adoption to continue driving internet subscriber additions

India has seen exponential growth in the number of internet subscribers, which has more than doubled to approximately 740 million in Fiscal 2020 from approximately 300 million in Fiscal 2015 as internet penetration as a percentage of population increased to approximately 54% from approximately 23%. Growth was led by an explosion in the number of wireless internet subscribers triggered by accelerated adoption of 4G services due to cheap tariffs and increased availability of affordable smartphones.

Of the total internet subscribers, wireless subscribers account for approximately 720 million, with the rest being wired subscribers. The dominance of wireless internet subscribers in India is unlike other developed markets, such as the United States and European countries, which have a judicious mix of wireless and wired broadband users. According to the CRISIL Report, wired broadband subscriber penetration as a percentage of households in developed markets averages 30-40% as compared to 6% in India as mobile data tariffs have been relatively cheaper in India. The subdued growth in wired internet demand in the past was on account of services being concentrated in large cities and major urban areas. Additionally, 4G mobile broadband prices have been much lower than those of wired broadband. Hence, most of the internet consumption in India have been via mobile phones and hotspots.

Digital India initiative by the Government to boost wireline internet subscribers

According to the CRISIL Report, total data subscribers in India are expected to increase from 612 million in 2018-19 to approximately 850 million in 2020-25. Many state governments and telecom companies have been laying fibre optic cables that can be leased by broadband players to improve subscriber reach. Cable operators have also started providing high-speed internet services. For exampole, Hathway Cable offers broadband users up to 50 mbps of speed. Considering the intense competition in the broadband space (especially after Reliance Jio Infocomm's entry), CRISIL Research expects tariffs to decline further from current levels in the next 10-12 months.

Increase in consumer acceptability for digital content

Rapid expansion in e-commerce and easy internet payment options offered by banks is also helping to draw consumers to digital media. The use of social media and messaging services is also increasing rapidly. Consumers take cues from reviews published on digital platforms before making purchase decisions. This has driven companies to improve their digital visibility. People in the 15-24 and 25-34 age groups are major internet users. However, usage in the 44+ age category is also increasing. With the increasing consumption of digital conent, digital content providers are certainly receiving a boost, according to the CRISIL Report.

Consumption of regional content on OTT platforms

In the past, OTT players' content libraries were almost similar - having genres ranging from general entertainment content, drama/fiction to Bollywood movies and some channels for kids, etc. To differentiate themselves, they are now focusing on producing original content (mostly regional), which will be the key to acquiring traffic and driving engagement. Players such as SunNxt (Tamil, Telugu, Kannada and Malayalam) and Hoichoi (Bengali) are exclusively focused on providing specific regional content, whereas players such as Zee5, AltBalaji, Viu and YuppTV cater to languages across all regions in India. In addition, major video steaming platforms, such as Netflix, Disney+ Hotstar, Amazon and MX player amongst others, are increasingly investing in Indian content. There has been increased consumption of digital content through OTT platforms, which is driving the consumption of music and video content in the media and entertainment industry industry.

Key challenges in the music distribution industry

Issues associated with piracy

The music industry, both in India and globally, is plagued by piracy. In India, piracy accounts for a substantial part of the total market. Due to digital format of music and the availability of pirated sites on the internet, piracy is becoming a strong contributor to revenue leakage.

Until around 2001, physical piracy of music cassettes, *i.e.*, unauthorised copying and selling of music on cassettes was prevalent. With the technological progress, digital piracy has increased.

P2P (peer-to-peer sharing), FTP (file transfer protocol) sharing and local sharing on local-area networks is rampant; it is only lately that software or companies such as Kazaa and Napster that enable such activity have been penalised.

Regulatory challenges faced by the music industry

According to the CRISIL Report, one of the key reasons for the recorded music industry has not achieved the kind of progress the film industry in India has seen is the existence of non-voluntary licensing of recorded music, which was initiated in 2001 to support and promote the then nascent radio industry. This allowed radio players to acquire rights at lower rates than the industry standards. This has resulted in a huge opportunity loss for the Indian music industry. CRISIL Research estimates that, as a result of non-voluntary licensing regimes, the Indian recorded music industry has lost significant potential revenues annually.

The India Department for Promotion of Industry and Internal Trade issued an Office Memorandum dated September 5, 2016, including internet-based platforms within the scope of broadcasting organizations. The recorded music industry is heavily dependent on revenue generated from internet-based services. Therefore, according to the CRISIL Report, an extension of statutory licensing to the internet would result in severe losses and negatively impact a significant portion of the revenues of the recorded music industry.

Another key factor negatively impacting recorded music industry revenue is the waiving of the public performance fee for the non-traditional parts of Indian weddings. Today, a wedding is an expensive affair with a multitude of non-traditional events attached to it for the purpose of entertainment. Music is an integral part of these non-traditional events. Copyright Law under Section 52(1) exempts from the purview of infringement, the use of copyrighted work only in religious/traditional ceremonies associated with a marriage. However, a public notice issued by the Indian Copyright Office in August 2019 extends the exemption even to non-traditional events associated with marriage.

Challenges posed by digitization and the internet

With digitization, the internet and growth in bandwidth of telecom networks have opened up new avenues and forms of distribution for the global music industry. Simultaneously, it has introduced new challenges for industry players. With music distribution increasingly happening online and on mobile phones, music companies no longer have complete control over the content owned by them.

Viability is also an issue. Over the past two years, music-streaming services such as Dhingana and Flyte have shut down because of high licensing costs to be paid to music owners, which are around 600% of the revenue of the service in some cases. This has heaped huge losses on players running legitimate music downloading sites.

Brief overview of key players in the music distribution industry

The music distribution industry in India has undergone a significant transformation in the past few years. Players in the industry have adapted to these changes and have tweaked their business models to suit the industry demand. Digital revenue on account of licensing fees earned from digital music streaming platforms is one of the key revenue streams for the players in the music distribution segment. Royalty revenue and radio revenue are other key revenue streams for music distribution players. Physical distribution, which was one of the key segments for players a few decades ago, has seen a decrease in its share. However, some players are revitalizing the segments by providing attractive retail channels to consumers. Also, players are now focusing more on regional content because of advent of internet penetration in the various geographies across the country.

Brief overview of players in the Indian music distribution industry

Company /Label Name	Commencement of operation/Established in	No of songs/Audio titles in the label	Key product offerings/segments
Saregama India Ltd (Saregama)	1946	130,000	Songs, Lyrics, composition, Film/content production
Zee Music company	1992	7,500	Songs
T-Series	1991	35,000	Video, Audio, Film/content production
Sony Music India	1997	NA	Songs
Universal Music India	1999	NA	Songs, Album updates, Music tour updates
Tips Industries Ltd	1975	25,000	Songs, Film/content production

Note: NA-Not Available
Source: Company annual report and websites, CRISIL Research

Some of the major Indian OTT music media players include Spotify, Amazon Prime Music, YouTube Music, Apple Music, Pandora, Deezer, Resso, Gaana, WynkMusic, Hungama Music and Jio Saavn.

OUR BUSINESS

Before making an investment in the Equity Shares, this section should be read in conjunction with the sections entitled "Risk Factors", "Industry Overview", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Financial Statements" on pages 47, 122, 83 and 234, respectively. This Preliminary Placement Document contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements because of certain factors, including considerations described below and in the section titled "Forward-Looking Statements" on page 19.

Unless otherwise stated, references in this section to "our Company", "we", "us", or "our" (including in the context of any financial or operational information) are to Saregama India Limited and our Subsidiaries on a consolidated basis.

Our fiscal year ends on March 31 of each year. Accordingly, references to a "Fiscal" year are to the 12-month period ended March 31 of the relevant year. The financial information included in this section for Fiscal 2021, Fiscal 2020 and Fiscal 2019 has been extracted from our Audited Consolidated Financial Statements beginning on page 254. The financial information included in this section for the six months period ended September 30, 2021 and September 30, 2020 has been extracted from our Unaudited Condensed Consolidated Interim Financial Statements beginning on page 235.

The industry-related information contained in this section is derived from the CRISIL Report. We commissioned the CRISIL Report for the purposes of confirming our understanding of the industry in connection with the Issue. Neither our Company, nor any other person connected with the Issue, including the BRLM, has independently verified the information in the CRILSIL Report or other publicly available information cited in this section.

Overview

We are a leading Indian entertainment company with intellectual property rights in music, film, television and print media. (Source: CRISIL Report, October 2021). Our Company is the oldest music company in India. (Source: CRISIL Report, October 2021). We have one of the most extensive music libraries with a portfolio of approximately 130,000 songs. (Source: CRISIL Report, October 2021). We also have a film library that includes IP rights to 62 films out of which 16 films were released in last four years under the brand name Yoodlee Films. In television, we produce and own television serials in South Indian languages, and we have created over 6,000 hours of content for Sun TV over the last 20 years from 2001 to 2021. Our primary sources of revenue from license fees are from music streaming applications, social media platforms, video streaming platforms, broadcasting platforms, brands and societies. In addition, we retail music directly to consumers through our Carvaan audio player with pre-loaded music, of which we have sold over 25.25 lakh units since its launch in June 2017 to September 30, 2021.

Our music library includes the intellectual property right to the sound recordings (the masters) and publishing rights (musical compositions and lyrics). Our music library covers a variety of Indian languages including Hindi (over 38,900 songs), Bengali (over 26,600 songs), Tamil (over 11,800 songs), Marathi (over 6,300 songs), Telugu (over 8,100 songs), Malayalam (over 7,000 songs), Punjabi (over 8,400 songs) and Kannada (over 3,100 songs) as of September 30, 2021. Our music IP also includes over 18,300 devotional songs, 8,400 classical compositions, 1,200 ghazals and 4,700 folk songs as of September 30, 2021. Our library is entirely digitalized and each song has been enriched with metadata for search and analytical purposes.

Our consolidated revenue from licence fees has grown at a 20.01% CAGR over the past four fiscal years from Fiscal 2017 to Fiscal 2021. Our primary sources of revenue from license fees are from music streaming applications, social media platforms, video streaming platforms, broadcasting platforms, brands and societies.

- *Music Streaming Applications.* We license our music for online streaming to various Indian and international music streaming applications and platforms ("over-the-top media" or "OTT media"), We have licensing agreements with Spotify, Amazon Prime Music, YouTube Music, Apple Music, Pandora, Deezer, Resso, Wynk Music, Hungama Music and JioSaavn, amongst others.

- *Social Media Platforms.* We have licensing agreements with social media platforms include video sharing applications. On YouTube, as of September 30, 2021, we had 26 channels catering to different Indian languages and age groups. As of September 30, 2021, we had a cumulative subscriber base of 54.6 million subscribers on YouTube. Our monthly views on our YouTube channels averaged 3,004.12 million during the six months period ended September 30, 2021 and 8,018.89 million during Fiscal 2021. We also have licensing agreements with various other social media platforms and short-format video sharing applications including Facebook, Instagram, Josh, Moj and Triller, amongst others.

- *Video Streaming Platforms.* We have entered into license agreements with program producers on video steaming platforms, like Netflix, Disney+ Hotstar, Amazon Prime Video, Sony LIV, ALT Balaji and MX player amongst others. These platforms use our music in their original movies and digital series.

- *Broadcast Platforms.* Broadcast television channels in India use music in their television serials, reality shows and promotions. We have entered into license agreements with television channels for use of our music in their programs and these have grown from 236 in Fiscal 2017 to 358 in Fiscal 2021.

- *Brand License*. We license our music to brands for use in their advertisements shown, inter alia, on television, social media and radio.

- *Societies*. We also license our music library to a collective body, PPL, for public performance licensing of our music. We are also a member of IPRS, which issues music publishing licenses to users. We receive a share of the revenue generated from the issue of these licenses.

In addition to music licensing, we retail music directly to consumers through the sale of our Carvaan audio player product. Launched in 2017, our Carvaan audio player has inbuilt speakers and 5,000 preloaded songs, allowing customers to listen to music anytime without any advertising breaks. This product also provides bluetooth speaker and FM radio functionality. We have applied for patent protection for our Carvaan audio player in a number of countries. Our Carvaan audio player is being extended to a platform, which will support streaming of music and podcasts through a Wi-Fi based return path.

Yoodlee Films is our movie and digital web-series production arm that is focused on creating content targeted at younger audiences across the world who primarily consume content on personal devices. We monetize these movies primarily by licensing them for limited period to third-party digital platforms and Indian television channels. We also monetize the music used in this content through our music licensing arrangements. In addition, in some cases we license our movies to TVoD platforms and airlines. We have released 16 films in the last four years, of which 10 have been shown on Netflix, of which three Netflix originals, four have been shown on Disney+ Hotstar as Hotstar originals and two have been shown on Zee5. Yoodlee Films is currently concentrating production efforts on regional cinema with films being made in Malayalam, Marathi, Tamil, and Punjabi with leading talents in these languages to capitalize on the increased demand for regional content.

We also produce television series content for South Indian broadcast channels. We monetize these serials by selling of commercial times (advertising inventory) aired during our program on the particular television channel. We have created and have IP rights to over 6,000 hours of content for Sun TV over the last 20 years from 2001 to 2021. For example, in the month of September 2021, we provided around 37.5 hours of new content across 3 serials on Sun TV of which IP rights are owned by our Company. In addition to television, we also monetize our IP in these serials on other platforms like YouTube and Facebook.

Key financial information

Set forth below is certain of our key financial information on a consolidated basis for the periods indicated.

(in ₹ lakhs except percentages and ratios)

Particulars	As of, or for the six months period ended		As of, or for the year ended,		
	September 30, 2021	September 30, 2020	March 31, 2021	March 31, 2020	March 31, 2019
Revenue from operations	25,004.71	18,459.67	44,196.26	52,147.49	54,471.98
Profit for the period/year	6,113.41	4,468.57	11,346.46	4,349.45	5,432.66
Profit for the period/year as % of revenue from operations	24.45%	24.21%	25.67%	8.34%	9.97%
Net cash generated from/(used in) operating activities	2,776.92	9,396.10	18,971.27	7,951.73	-3,572.82
Return on Net Worth	15.16%	14.60%	33.30%	16.43%	23.88%
Return on Capital Employed	20.88%	20.26%	45.59%	24.48%	31.32%

Particulars	As of, or for the six months period ended		As of, or for the year ended,		
	September 30, 2021	September 30, 2020	March 31, 2021	March 31, 2020	March 31, 2019
Adjusted Debt / Equity ratio	0	0	0	0.03	0.28
OIBCID (1)	9,564.36	6,038.96	14,505.95	7,622.77	7,863.20
OIBCID Margin (2)	38.25%	32.71%	32.82%	14.62%	14.44%

Notes:

(1) OIBCID is operating income before content charges, interest and depreciation. Content charge consists of (a) amount amortised against the minimum guarantee advance paid in case of royalty based deals, (b) amount amortised against the one-time fee paid in case of outright purchase based deals, (c) marketing of new content. Content charges does not include any royalty paid post recoupment of the minimum guarantee.

(2) OIBCID Margin is a percentage margin derived by dividing OIBCID by revenue from operations.

For information about Non-GAAP financial measures as set forth in the table above, see *"Management's Discussion and Analysis of Financial Condition and Results of Operations -Non-GAAP Financial Measures"* on page 102.

Awards and Accreditations:

We have been honored with awards and recognitions in the past three years as an acknowledgement of our business strengths in the music, film and television industry and the value of our brand including:

Year	Particulars
2020	Film KD - 67th National Awards for Best Child Artist
2019	Film Hamid - 66th National Awards for Best Film in Urdu and Best Child Artist
2018	Film Nobleman - best child actor award at the New York Indian Film Festival
2018	Carvaan - Brand Equity Marketing Awards 2018 for Innovation of the Year Award
2018	Carvaan - Marquees 2018 – reimagining for the better
2017	Carvaan - IPRCCA 2017 - Best use of PR by a Brand – Silver

Major Milestones

As India's oldest music company, our milestones include:

- 1902 - First ever recorded Indian song of Gauhar Jaan included in our library;
- 1946 - Company incorporated as The Gramophone Company (India) Private Limited;
- 1986 – RPG Group acquired the Company;
- 2000 – Products started retailing under "Saregama" brand;
- 2001 – Television serial production started;
- 2016 – Started investing new film music again;
- 2017 – Carvaan audio player launched;
- 2017 – Yoodlee film production house launched; and
- 2020 – Started investing in non-film music.

Our Competitive Strengths

We believe that we possess a number of competitive strengths, which enable us to successfully execute our business strategies, which are set forth below.

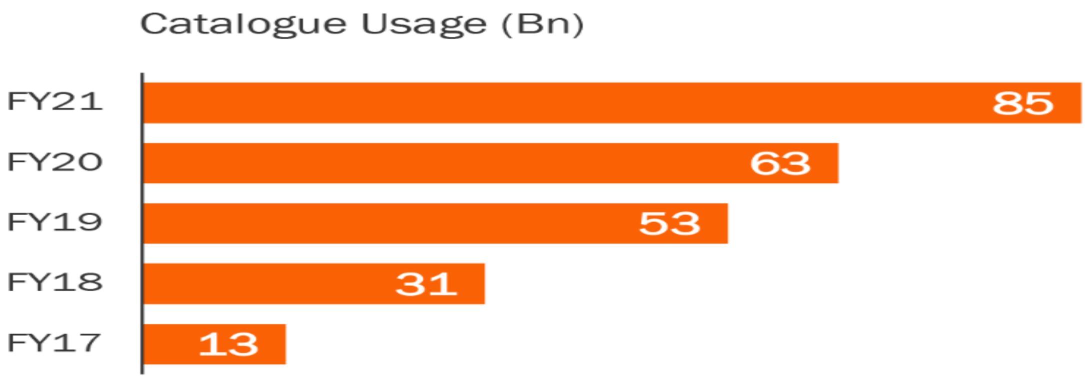
Among the few entertainment companies in India with IP offerings across music streaming platforms, broadcast platforms, video streaming platforms, social media platforms and retail platforms

Saregama is among the few entertainment companies providing IP offerings across music streaming platforms, broadcast platforms, video streaming platforms, social media platforms and retail platforms. (Source: CRISIL Report, October 2021). Our Company is the oldest music company in India. (Source: CRISIL Report, October 2021). In addition, we produce films and digital web-series through Yoodlee Films, our movie production house, and produce television series in South Indian language for Sun TV. We also publish our own weekly current affairs magazine, Open Magazine, a weekly current affairs and features magazine. We deliver our intellectual property in digital form through audio and video streaming and download platforms as well as in physical form including Carvaan and printed magazines. We monetize our IP content through licensing revenue from music streaming applications, social media platforms, video streaming platforms, broadcasting platforms, brands and societies as well as through retailing our Carvaan audio player directly to consumers. By capturing the major segments of the value chain in India's entertainment industry, we are able to maximize our revenue streams, develop deep relationships with OTTs, film producers, advertisers, attract talent across the music, film and television industries and develop significant brand recognition.

Large intellectual property portfolio of 130,000+ songs, 62 films and 6,000 hours of television content

We have one of the most extensive music libraries with a portfolio of approximately 130,000 songs. (Source: CRISIL Report, October 2021). Our music library includes the IP right to the sound recordings (the masters) and publishing rights (musical compositions and lyrics). Our library is entirely digitalized and each song has been enriched with metadata for search and analytical purposes.

As of September 30, 2021, our library was spread across a number of genres including over 18,300 devotional songs, 8,400 classical compositions, 1,200 ghazals and 4,700 folk songs. Our music library also covers a variety of Indian languages including Hindi, Bengali, Tamil, Marathi, Telugu, Malayalam, Punjabi and Kannada. Customer interest in our library has been increasing over the past five fiscal years as reflected in the graph below.



We acquired our IP rights by purchasing them directly from the artist, songwriter or composer, from film producers, from other music companies (often called labels or record labels) and from other IP rights holders. We have been acquiring our IP rights in Indian songs and music since the beginning of the 20th century, but approximately 30% of our library by count and revenue belong to the 21st century. The following table shows the annual growth of OTT customer streaming of our songs classified by the decade of release.

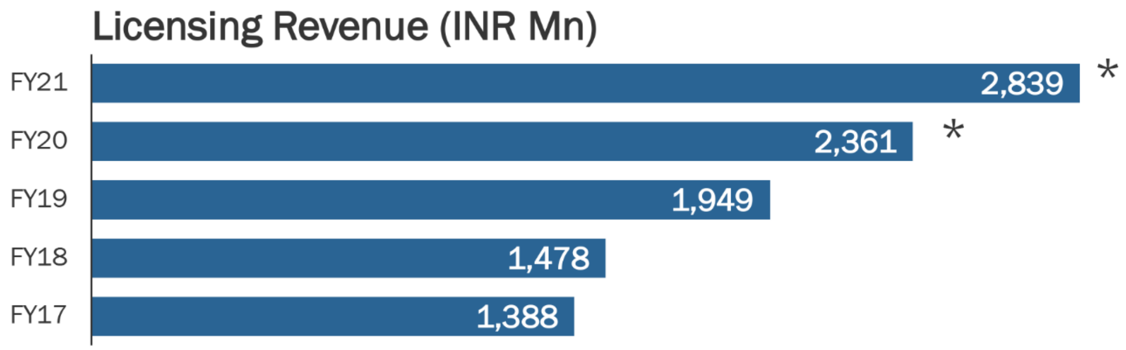
	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020*
Up to 1960	88%	66%	27%	37%
1961-1970	105%	65%	25%	46%
1971-1980	96%	71%	34%	49%
1981-1990	111%	80%	30%	41%
1991-2000	97%	111%	48%	53%
2001-2010	111%	112%	37%	50%
2011-2020	160%	145%	133%	40%

**** Fiscal 2021 not yet available as logs are still being processed***

We have a film library that includes IP rights to 62 films out of which 16 films were released in last four years under the brand name Yoodlee Films. In television, we produce and own television serials in South Indian languages, and we have created over 6,000 hours of content for Sun TV over the last 20 years from 2001 to 2021. In the month of September 2021, we provided around 37.5 hours of new content across three serials on Sun TV, of which the IP rights are owned by our Company. Our popular TV serials include Roja, Chandralekha and Anbe Vaa. Roja was the leading serial on Sun TV during 2020 and the first half of 2021.

Strong licensing relationships with streaming applications and platforms for music, films and television serials

We earn revenue from licensing our IP rights in music (sound recordings and publishing), films and television serials. Our primary sources of music licensing revenue are from music streaming applications, social media platforms, video streaming platforms, broadcasting platforms, brands and societies. Our consolidated revenue from licence fees has grown at a 20.01% CAGR over the past four fiscal years from Fiscal 2017 to Fiscal 2021. The graph below shows the growth in our licensing revenue (which includes revenue from licence fees and other operating revenue) over the past five fiscal years.



* One time income of ₹ 155 million in Fiscal 2021 and ₹21 million in Fiscal 2020 are excluded. Licensing revenue for Fiscal 2021 and Fiscal 2020 has been adjusted to the extent of one-time revenue earned by Company. This one-time revenue primarily includes export incentives on account of Service Exports from India Scheme (SEIS).

We license our music for online streaming to various Indian and international OTT media including Spotify, Amazon Prime Music, YouTube Music, Apple Music, Pandora, Deezer, Resso, Gaana, WynkMusic, Hungama Music, NetEase and Jio Saavn, amongst others. According to CRISIL Research, the music streaming segment has grown at a CAGR of 48% from 2016 to 2021. (Source: CRISIL Report, October 2021). As India's oldest music company with one of the most extensive music libraries, we have developed relationships with some of the major OTT media.

Most of our music licensing agreements with OTT media include both pay per stream model, where the licensee pays a fixed amount every time a song is streamed (or downloaded), plus a share of advertising revenues for the advertising based free service and also s*ubscription model* where licensee shares revenue from its subscriptions on a formula. All of this is protected by a minimum guarantee committed to us.

The entry of video steaming platforms, like Netflix, Amazon Prime Video, and Disney+ Hotstar, has significantly boosted the consumption of video on demand in India, according to CRISIL Research. (Source: CRISIL Report, October 2021). We have entered into license agreements with program producers on these platforms for use of our music in their original movies and digital series.

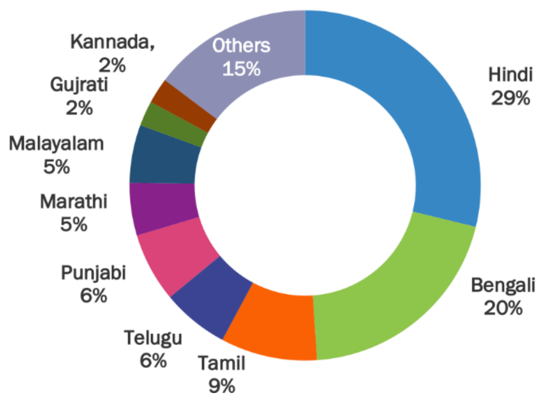
Further, Yoodlee Films is our movie and digital web-series production arm that is focused on creating content targeted at younger audiences across the world who primarily consume content on personal devices. We have released 16 films in the last four years, of which 10 reside on Netflix, including 3 Netflix originals, 4 Hotstar originals on Disney +Hotstar and two on Zee5.

Increasing IP library with a growing presence in varied Indian languages

According to Region Research, demand by OTT and television broadcast platforms for regional content, particularly in Indian regional languages, is expected to grow substantially during the next few years as more urban and rural customers start consuming content through internet. (Source: CRISIL Report, October 2021). Our Company expects to benefit from this trend with our large music library across various Indian languages and our growing regional film and television series intellectual property libraries.

Our music library covers IP rights to songs in a variety of Indian languages including Hindi (over 38,900 songs), Bengali (over 26,600 songs), Tamil (over 11,800 songs), Marathi (over 6,300 songs), Telugu (over 8,100 songs), Malayalam (over 7,000 songs), Punjabi (over 8,400 songs) and Kannada (over 3,100 songs). The following chart shows the composition of our music library by Indian language as of September 30, 2021.

Share of Saregama's Songs by language



Our production house, Yoodlee Films, has produced four films in regional languages including Tamil, Malayalam, Marathi and Urdu. We are currently concentrating our efforts on regional cinema with films being made in Malayalam, Marathi, Tamil, and Punjabi with leading talents of the region to capitalize on the increased demand for regional content from third party streaming platforms. In this regard, we currently have five regional films in four different languages in production.

In television, we produce television series content for South Indian broadcast channels. We produce content in South Indian languages including Tamil, Malayalam, Kannada and Telugu. We have created over 6,000 hours of content for Sun TV over the last 20 years from 2001 to 2021. In the month of September 2021, we provided around 37.5 hours of new content across three serials on Sun TV, of which the IP rights are owned by our Company. Our popular TV serials include Roja, Chandralekha and Anbe Vaa. Roja was the leading serial on Sun TV during 2020 and the first half of 2021.

Capabilities in data and analytics for content acquisition and IP protection

Data has proven to be key in maximizing success in the entertainment industry. We have made on-going strategic investments into data and analytics over the past several years. Through our IT systems and operations, we collect large amounts of data regarding music, artists and songs as well as consumption data (views and streams) and other information, which we use to assess the potential success of a song, film, artist or a library of songs, films or artists and therefore help determine whether we want to acquire rights to, or produce, the respective content. We also use our data and analytics to understand consumer trends, seasonal trends, marketing trends and a variety of other information that we need to operate our business. Our data collection and analysis is performed using a number of proprietary IT tools, software and algorithms in our acquisition and analysis of data.

Further, to assist content creators, we also have built a browser-based search functionality, using the song metadata, to help find the best song fit for their advertisement or program. This functionality drives use of our music catalogue and helps market its depth.

We also employ technology including sophisticated algorithms and software tools to actively monitor and protect against activities that might infringe, dilute or otherwise harm our copyright, trademarks and patents. Our anti-infringement team works with our content experts to constantly monitor usage of our music by third party applications, sites and videos across social media platforms and applications to catch any unauthorized usage.

Strong financial position with track record of revenue growth, margin expansion and cash flow generation

In the six months period ended September 30, 2021 and Fiscal 2021, Fiscal 2020 and Fiscal 2019, our total revenue from operations was ₹25,004.71 lakhs, ₹44,196.26 lakhs, ₹52,147.49 lakhs and ₹54,471.98 lakhs, respectively; and our profit for the period/year was ₹6,113.41 lakhs, ₹11,346.46 lakhs, ₹4,349.45 lakhs and ₹5,432.66 lakhs, respectively.

Further, as of September 30, 2021, March 31, 2021, March 31, 2020, March 31, 2019, our Return on Net Worth was 15.16%, 33.30%, 16.43% and 23.88%, respectively, and our ROCE was 20.88%, 45.59%, 24.48% and 31.32%, respectively.

In the six months period ended September 30, 2021 and Fiscal 2021, Fiscal 2020 and Fiscal 2019, our OIBCID was ₹9,564.36 lakhs, ₹14,505.95 lakhs, ₹7,622.77 lakhs and ₹7,863.20 lakhs, respectively; our OIBCID margin was 38.25%, 32.82%, 14.62% and 14.44%, respectively.

The COVID-19 pandemic impacted revenue growth levels in Fiscal 2021 with the national lockdowns and work from home orders severely impacting the Indian economy and retail industry, which impacted sales of our Carvaan audio player. In line with industry trends, however, our licensing revenue increased as streaming revenue from OTTs increased during the COVID-19 pandemic period. Our profits before tax increased by 151.72% to ₹15,190.64 lakhs in Fiscal 2021 from ₹6,034.77 lakhs in Fiscal 2020. This is due to increase in license revenue and reduction in marketing and other costs.

Between Fiscal 2019 and Fiscal 2021, we further reduced our borrowing levels to nil by March 31, 2021, and we remained debt free as of September 30, 2021. As of September 30, 2021, March 31, 2021, 2020 and 2019, our Net Worth was ₹40,322.32 lakhs, ₹34,075.36 lakhs, ₹26,474.45 lakhs and ₹22,752.61 lakhs, respectively. Further, in the six months period ended September 30, 2021 and Fiscal 2021, Fiscal 2020 and Fiscal 2019, our net cash generated from/(used in) operating activities were ₹2,776.92 lakhs, ₹18,971.27 lakhs, ₹7,951.73 lakhs and (₹3,572.82 lakhs), respectively.

Experienced and creative leadership through management team and Promoter Group

We believe that the experience, creativity and leadership of our management has enabled our Company to be recognized as one of the leading IP driven entertainment companies in India. Our Managing Director, Vikram Mehra, has been associated with our Company since October 2014. He is currently on the board of directors of various companies including Indecent Foods Private Limited, Editorji Technologies Private Limited and The Indian Performing Right Society Limited. Our senior management team has substantial experience in the entertainment industry along with capabilities to enable us to understand and anticipate entertainment market trends, manage our business operations and growth, leverage our intellectual property and respond to changes in consumer preferences in a rapidly changing environment. We will continue to leverage on the experience of our management team and their understanding of the Indian entertainment industry in order to take advantage of current and future market opportunities. For more information, see "*Board of Directors and Senior Management Personnel*" on page 167.

Further, we are a part of the RP-Sanjiv Goenka Group. The RP-Sanjiv Goenka Group is a large conglomerate having interests in, amongst others, power and natural resources, carbon black, retail and FMCG, media and entertainment, infrastructure, information technology, education and sports. The RP-Sanjiv Goenka Group includes entities such as Phillips Carbon Black Limited, Firstsource Solutions Limited, CESC Limited, Spencer`s Retail Limited, RPSG Ventures Limited, Harrisons Malayalam Limited and Woodlands Multispeciality Hospital Limited, amongst others. We believe that our association with this group has enabled us to absorb its corporate values and principles and adhere to good corporate governance practices. We also believe that our association with the RP-Sanjiv Goenka Group aids us in procuring new businesses and exploring various other opportunities.

Our Strategy

The key elements of our business strategy are as follows:

Expand IP portfolio across music, films, web-series and television

We look to expand our IP portfolio with a focus on new film music acquisitions across Hindi, Tamil and Telugu films and on acquisitions of non-film songs across Punjabi, Bhojpuri, Gujarati, Haryanvi, Bengali and Hindi languages. Our Company recently acquired IP rights for the music of the next set of films of Indian film directors, Sanjay Leela Bhansali and Shankar. In non-film music, we are focused on artists like Badshah, B Praak, Kaka, Rakesh Barot amongst others. For example, we launched "Paani Paani" on June 9, 2021 featuring Badshah, Aastha Gill and Jacqueline Fernandez. This release had over 579 million YouTube views and 1.3 million Instagram reels as of October 13, 2021, 1.6 billion YouTube UGC views and 159 million OTT streams as of October 10, 2021.

We are also investing in devotional music. Further, we look to invest in reinterpreting and re-recording popular songs in our library with new age artists along with videos targeting the younger age group. For example, we have recently re-recorded the song "Do ghoont" which we recreated and picturised on Nia Sharma.

Further, we are looking to discover and develop new recording artists and songwriters and develop and retain existing recording artists and songwriters to drive success in the next generation of talent in the Indian music industry. In this regard, we plan to develop an artist management business either independently or in a joint venture to deepen our relationships with singers, composers and influencers and to steer them towards realizing their full artistic potential and achieving commercial success. We aim to monetise this artist management business through content creation, events and shows and brand promotional activities.

In addition, through Yoodlee Films we are focused on creating thematic films and web-series targeted at younger audiences, particularly in Hindi, Tamil and Telugu. We also will continue producing television series in South Indian languages for Sun TV.

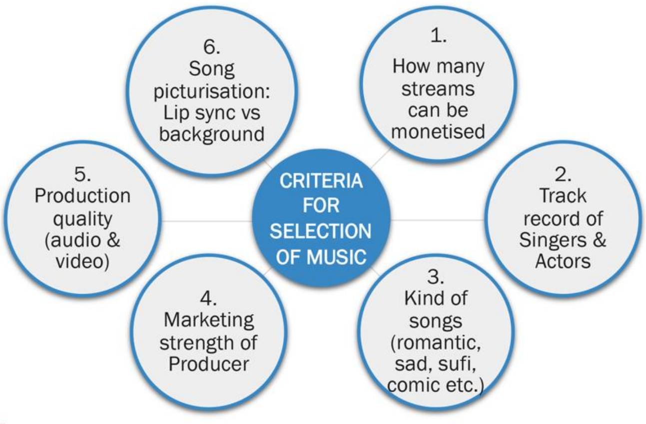
Our targets for IP acquisition and creation are (i) to achieve market leadership in the music segment, (ii) producing 60 new films and web series episodes and (iii) producing 1200-1500 hours of television serials content.

Strategically acquire smaller music labels and libraries

We are also looking to expand our music intellectual property portfolio by acquisition of smaller Indian music label and libraries. We believe that small music labels are struggling to monetize their IP as they find it difficult to negotiate valuable licensing arrangements with the OTTs, social media platforms and other large players. We will analyze these opportunities using the same data driven and intuitive processes we are using to enhance our music library organically. Our target will be digitized intellectual property with an emphasis on music in Punjabi, Bhojpuri, Gujarati and Hindi languages. In particular, we will focus on identifying acquisition targets that will benefit from our management expertise, creative talent and our proven ability to monetize intellectual property rights through licensing from music streaming applications, social media platforms, video streaming platforms, broadcasting platforms and societies. We will also consider entering joint ventures or alliances to expand our music IP portfolio or assist us in monetizing our existing IP library.

Investing in data acquisition and analytics to improve content selection

Our content selection process is both data driven and intuitive in nature with high focus on monetisation and return on investment. We aggregate data drawn from publicly available sources like YouTube and OTT media services as well as our own internally generated data, and we analyse the data using our proprietary software and algorithms. We take into consideration the last 3 years' track record of the singer, music composer and lyricist, popularity of the music genre and (in film music) the popularity of the movie cast and success rate of the production team. This data driven vetting process is combined with a music listening session by the content and marketing teams. The diagram below illustrates our content vetting considerations.



We will continue to invest in data acquisition and analytics to improve our content acquisition decision making. We have an experienced data analytics team that works along with content experts on IP selection.

Migrate our Caravan audio player retail business from product to integrated online platform

We retail music directly to consumers through the sale of our Carvaan, audio player. Launched in May 2017, our Carvaan audio player has inbuilt speakers and 5,000 preloaded songs, allowing customers to listen to their favorite music anytime without any advertisement breaks. As of September 30, 2021, we have sold over 25.25 lakh

Carvaan units since its launch in May 2017 to September 30, 2021. We are now planning to extend our Carvaan audio player to a platform which will include streamed music, podcast and third-party content. Carvaan will position itself as a trusted source of information and entertainment for its consumers. Our Carvaan audio player will not only offer thousands of songs, but it will also have access to streamed music and daily updatable podcasts covering a wide range of topics. Once converted to a platform, we will offer all kinds of daily updatable audio content to a target audience of 35 years of age and above, both living in India and abroad. We will look to generate recurring advertising revenue as well as subscription revenue in the future. We also will share revenue with third party content creators that release their podcast or other content on our platform.

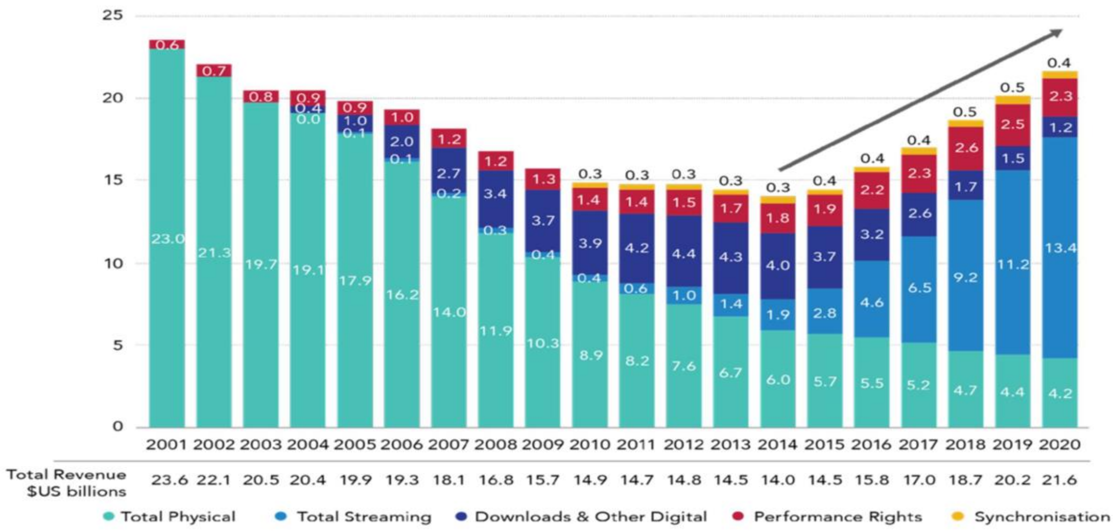
The following illustration of our Carvaan audio player shows the expanded services that we will offer on our Carvaan platform.

Leverage favorable music industry trends

We will continue to look for new industry trends to expand our business and to bring innovative music and video-based products and services to Indian consumers. The music industry has been on an upswing globally on the back of increased digital revenues. The transformation of the music business has included the following trends:

- Reduced upfront investment and associated risk;
- Distribution and customer-acquisition costs now funded by major tech companies;
- Predictable recurring revenue streams;
- Less hit driven than in the past;
- Limited, if any, seasonality;
- Minimal recession risk; and
- Increasing value of the music catalogue.

The following graph shows global recorded music industry revenue from 2001 to 2020.



Source: IFPI Global Music Report, 2021

While the music streaming segment currently comprises approximately 88% of the overall music industry revenue, CRISIL Research projects it to expand to approximately 91% by Fiscal 2025 with the pace of growth sustaining. (Source: CRISIL Report, October 2021). This segment, in particular, has been witnessing new developments, with telecom operators and content producers tying up with music OTT platforms in order to gain a larger share of the market. (Source: CRISIL Report, October 2021). Further, a decline in mobile data prices, evolving handset ecosystem along with availability of affordable smartphones and overall growth in smartphone shipments are set to continue to support the growth of music streaming in India. (Source: CRISIL Report, October 2021).

Our Subsidiaries

Saregama India Limited owns 100% of the equity share capital of each of RPG Global Music Limited (organized in Mauritius), Kolkata Metro Networks Limited (organized in India), Open Media Network Private Limited (organized in India), Saregama FZE (organized in the United Arab Emirates). We hold 76.41% of Saregama Limited (formerly known as Saregama Plc.) (organized in England & Wales), with the remaining 23.59% of the share capital is held by a number of retail investors. Saregama Inc (organized in Delaware, United States) is a wholly owned subsidiary of Saregama Limited.

Our Business

Our business includes three segments: (i) music (licensing and retail), (ii) video (our films and television serials) and (iii) publication (our Open Magazine).

The following table sets forth our consolidated revenue by segment and such segmental revenue as a percentage of total revenue from operations in the six months period ended September 30, 2021 and September 30, 2020 and for Fiscal 2021, Fiscal 2020 and Fiscal 2019.

(*in ₹ lakhs except percentages*)

Particulars	Six months period ended, September 30, 2021	Six months period ended, September 30, 2020	Fiscal 2021	Fiscal 2020	Fiscal 2019
Music	21,337.97	16,998.37	38,547.46	44,434.49	48,968.55
as a % of Revenue from operations	*85.34%*	*92.08%*	*87.22%*	*85.21%*	*89.90%*
Films and television serials	3,428.07	1,251.47	5,210.37	7,025.00	4,764.59
as a % of Revenue from operations	*13.71%*	*6.78%*	*11.79%*	*13.47%*	*8.74%*
Publication	238.67	209.84	438.43	688.00	738.84
as a % of Revenue from operations	*0.95%*	*1.14%*	*0.99%*	*1.32%*	*1.36%*
Total Revenue from operations	25,004.71	18,459.67	44,196.26	52,147.49	54,471.98

The following tables set forth the percentage of revenue from contracts with customers, which is disaggregated by primary geographic market, products and service lines in the six months period ended September 30, 2021 and September 30, 2020 and Fiscal 2021, Fiscal 2020 and Fiscal 2019.

(*in ₹ lakhs except percentages*)

Revenue by geography (Domestic)	Six months period ended, September 30, 2021		Six months period ended, September 30, 2020		Fiscal 2021		Fiscal 2020		Fiscal 2019	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total
Licence fees	9,424.88	59.28%	8,112.20	69.23%	18,881.93	58.44%	14,773.38	35.87%	12,999.07	28.20%
Sale of products	3,838.33	24.14%	2,490.83	21.25%	8,370.48	25.90%	19,245.72	46.73%	28,271.34	61.34%
Films and television serials	2,397.42	15.08%	907.00	7.74%	4,622.71	14.31%	6,481.70	15.74%	4,089.34	8.87%
Publication	237.94	1.50%	208.37	1.78%	436.92	1.35%	682.69	1.66%	733.17	1.59%
Total	**15,898.57**	**100.00%**	**11,718.40**	**100.00%**	**32,312.04**	**100.00%**	**41,183.49**	**100.00%**	**46,092.92**	**100.00%**

(*in ₹ lakhs except percentages*)

Revenue by geography (International)	Six months period ended, September 30, 2021		Six months period ended, September 30, 2020		Fiscal 2021		Fiscal 2020		Fiscal 2019	
	Amount	**% of Total**	**Amount**	**% of Total**	**Amount**	**% of Total**	**Amount**	**% of Total**	**Amount**	**% of Total**
Licence fees	7,452.02	85.04%	5,348.61	93.02%	9,675.76	92.08%	8,792.20	82.04%	6,476.48	77.44%
Sale of products	280.05	3.20%	55.47	0.96%	243.54	2.32%	1,376.96	12.85%	1,206.43	14.42%
Films and television serials	1,030.65	11.76%	344.47	5.99%	587.66	5.59%	542.82	5.06%	675.25	8.07%
Publication	0.73	0.00%	1.46	0.03%	1.51	0.01%	5.17	0.05%	5.67	0.07%
Total	**8,763.45**	**100.00%**	**5,750.01**	**100.00%**	**10,508.47**	**100.00%**	**10,717.15**	**100.00%**	**8,363.83**	**100.00%**

Our Music Business

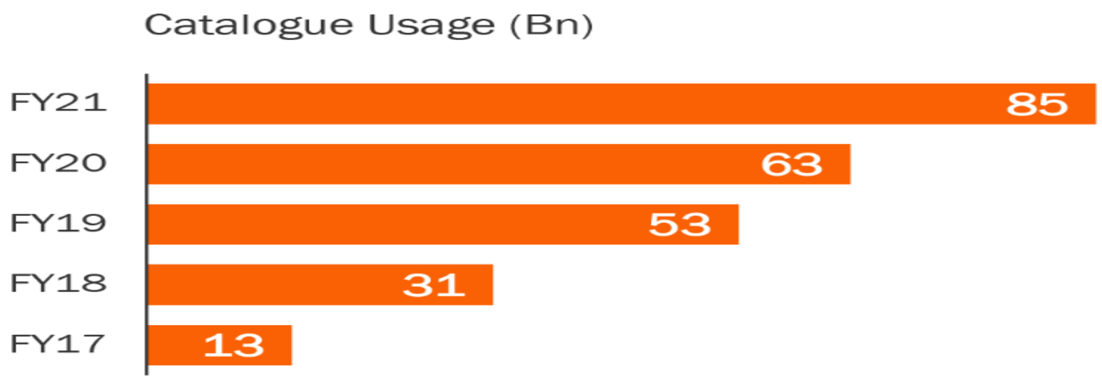
Our Company is the oldest music company in India. (Source: CRISIL Report, October 2021).

Our Music Library

Our music library includes the intellectual property right to the sound recordings (the masters) and publishing rights (musical compositions and lyrics). We have one of the most extensive music libraries with a portfolio of approximately 130,000 songs. (Source: CRISIL Report, October 2021). Our library is entirely digitalized and each song has been enriched with metadata for search and analytical purposes. We acquired these IP rights by purchasing them from directly from the artist, songwriter or composer, from film producers and from other IP rights holders.

Our library includes first ever recorded Indian song of Gauhar Jaan in 1902, and, as of September 30, 2021, our music library covers a variety of Indian languages including Hindi (over 38,900 songs), Bengali (over 26,600 songs), Tamil (over 11,800 songs), Marathi (over 6,300 songs), Telugu (over 8,100 songs), Malayalam (over 7,000 songs), Punjabi (over 8,400 songs) and Kannada (over 3,100 songs) as of September 30, 2021. Our music library also includes IP to over 18,300 devotional songs, 8,400 classical compositions, 1,200 ghazals and 4,700 folk songs.

Customer interest in our library has been increasing over the past five fiscal years as reflected in the following graph.



Music IP acquisition and creation

We are enhancing our library of music intellectual properties with a focus on new film music acquisitions across Hindi, Tamil and Telugu films and on acquisitions of non-film songs across Punjabi, Bhojpuri, Gujarati, Haryanvi, Bengali and Hindi languages. Our Company recently acquired IP rights for the music of the next set of films of Indian film directors, Sanjay Leela Bhansali and Shankar. In non-film music, we are focused on artists like Badshah, B Praak, Kaka, Rakesh Barot amongst others. We are also investing in devotional music. Further, we are continuously reinterpreting and re-recording popular songs in our library with new age artists along with videos.

We aggressively market our new music catalogue - both original and film - of various languages, across all media platforms. We generally do an extensive promotion of new songs on Youtube and on social. We also markets our new songs through radio, television and occasional on-ground events.

Data has proven to be key in maximizing success in the entertainment industry. We have made on-going strategic investments into data and analytics over the past four to five fiscal years. Through our IT systems and operations, we collect large amounts of data regarding music, artists and songs as well as consumer data (demographic and preferences) and other information, which we use to determine whether we want to acquire a song, film, artist or a library of songs, films or artists. We also use our data and analytics to understand consumer trends, seasonal trends, marketing trends and a variety of other information that we need to operate our business. Our data collection and analysis is performed using a number of proprietary IT tools, software and algorithms in our acquisition and analysis of data.

Further, to assist content creators, we also have built a browser-based search functionality, using the song metadata, to help find the best song fit for their advertisement or program. This functionality drives use of our music catalogue and helps market its depth.

Music IP Licensing

We earn revenue from licensing our IP rights in our sound recordings and our IP publishing rights to the musical compositions. Our primary sources of licensing revenue are from music streaming applications, social media platforms, video streaming platforms, broadcasting platforms, brands and societies.

Our licensing agreements are based on combinations of following pricing models:

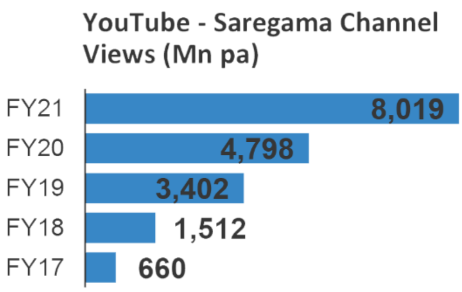
- ***Fixed Revenue Model*** – Licensee pays a fixed amount per year to license content.
- ***Pay per Stream Model*** – Licensee pays a fixed amount every time a song is streamed (or downloaded), plus a share of advertising revenues for the advertising based free service subject to minimum guarantee amount as committed to us based on agreements.
- ***Subscription Model*** – Licensee shares revenue from its subscriptions on a formula.

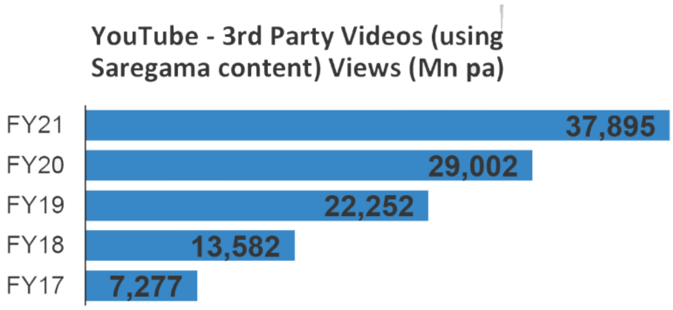
Music Streaming Applications. We license our music for online streaming to various Indian and international music streaming applications including Spotify, Amazon Prime Music, YouTube Music, Apple Music, Pandora, Deezer, Resso, WynkMusic, Hungama Music, and Jio Saavn, amongst others. According to CRISIL Research, the music streaming segment has grown at a CAGR of 48% from 2016 to 2021. (Source: CRISIL Report, October 2021). Our license agreements with OTT are usually for a term of one to two years with annual renewals. Most of our music licensing agreements with OTT media include both pay per stream model and the subscription model as well as a minimum guarantee commitment.

Social Media Platforms. We have licensing agreements with social media platforms including video sharing applications.

On YouTube, we have 26 channels catering to different Indian languages and age groups. As of September 30, 2021, we had a cumulative subscriber base of 54.6 million subscribers on YouTube. Our monthly views on our YouTube channels averaged 3,004.12 million during the six months period ended September 30, 2021 and 8,018.89 million during Fiscal 2021. YouTube generates advertising revenue on views from our channels, which is shared with the Company. We also share advertising revenue with YouTube on any third-party content that uses our IP (song, lyrics, music, compositions and dialogue) within the video.

Set forth below are graphs showing our YouTube Channel views and third-party videos views (using our content) for the periods indicated.





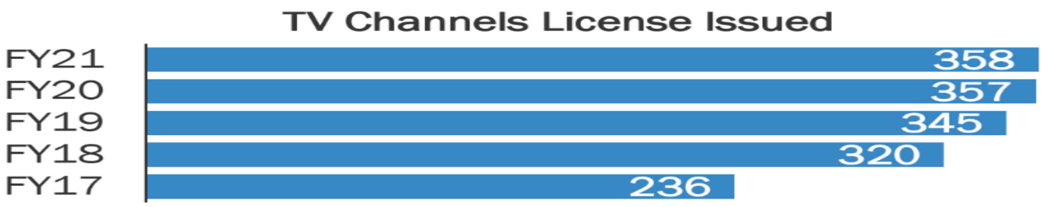
We also have licensing agreements with various other social media platforms and short-format video sharing applications including Facebook, Instagram, Josh, Moj and Triller, amongst others. Our license agreements with these platforms and applications allow their users to upload videos containing our songs. They are generally for a term of one to two years and follow the fixed fee model.

Video Streaming Platforms.

The entry of video steaming platforms, like Netflix, Amazon Prime Video, and Disney + Hotstar, has significantly boosted the consumption of video on demand in India, according to CRISIL Research. (Source: CRISIL Report, October 2021). We have entered into license agreements with program producers on these platforms for use of our music in their programs. The period of license agreements vary from party to party as per commercial terms and follow the fixed fee model.

Broadcast Platforms.

Broadcast television channels in India use music in their TV serials, reality shows and promotions. We have entered into license agreements with television channels for use of our music in their programs. The license agreements are for a term of one to two years and follow the fixed fee model. The graph below set forth the number of television license agreements we have entered in the periods indicated.



We also license our songs to production houses for use in television, radio and social media advertisements.

To assist content creators, we have built a browser-based search functionality, using the song metadata, to help find the best song fit for their advertisement or program. We believe that this gives us a competitive advantage when content creators are choosing music.

Brands.

We license our music to brands for use in their advertisements shown, inter alia, on television, social media and radio.

Societies.

We also license our music library to a collective body, Phonographic Performance Limited ("PPL") for public performance licensing of our music. This society is responsible for issuing licenses for playing of music in events, shows, parties held in public places and in commercial premises like hotels, pubs, shops and malls. We receive a share of the revenue generated from the issue of these licenses.

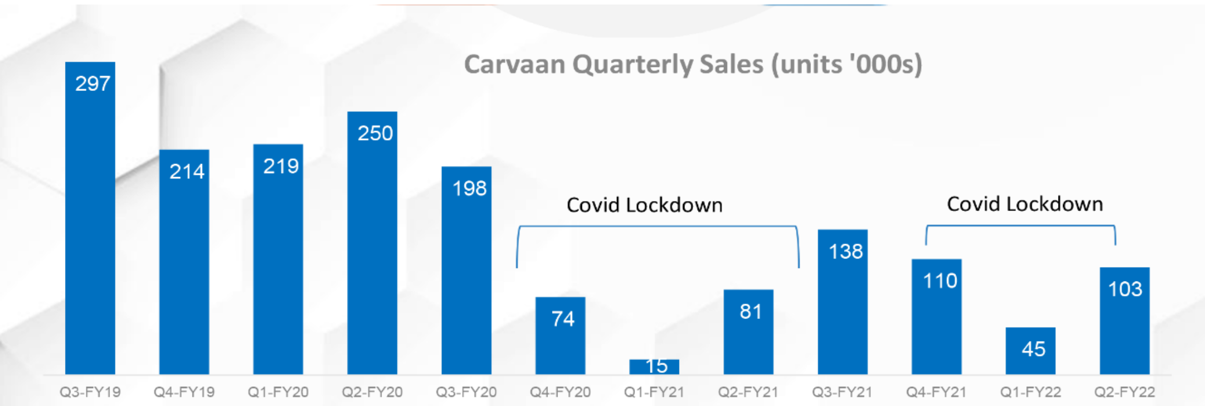
We are also a member of The Indian Performing Right Society Limited ("IPRS"), which issues music publishing licenses to users for a royalty payment for the use of lyrics or a composition. We receive a share of the revenue generated from the issue of these licenses.

Retail Music Sales through Carvaan

We retail music directly to consumers through the sale of our Carvaan, audio player. Launched in May 2017, our Carvaan audio player has inbuilt speakers and 5,000 preloaded songs, allowing customers to listen to their favorite music anytime without any advertisement breaks. Carvaan is a blend of technology and a retro form factor The product also provides bluetooth speaker and FM radio functionality. We have applied for patent protection for our device. See "*-Intellectual Property*" below.

As of September 30, 2021, we sold over 25.25 lakh units since its launch in June 2017 to September 30, 2021. At September 30, 2021, our Carvaan audio player is being sold by us through approximately 30,000 retailers and online platforms in India.

The following graph sets forth the number of units sold in 1000s from the third quarter of Fiscal 2019 through the second quarter of Fiscal 2022.



The embedded songs are selected using data analytics, and are classified based on singers, lyricists, music composers, actors and moods. The product has been extended to cater to different customer segments and price points, including the recently launched Carvaan Karaoke targeting home parties and Carvaan Mini Kids targeted at screen wary parents of two- to ten-year old children. The product is retailed through retail outlets and leading e-commerce platforms. It is available in multiple sizes, price points and languages, including one with Harmon Kardon.

Our Carvaan audio player is being extended to a platform which will include streamed music, podcast and third-party content targeted to the affluent middle-class over age 35. Once converted to a platform, we will look to generate recurring advertising revenue as well as subscription revenue in the future. We also will share revenue with third party content creators who will release their podcast or other content on our platform.

The Company also introduced on August 6, 2021, the Carvaan musicbar with subwoofer, of 70W and a built-in FM radio feature.

Sales of our Carvaan audio player were adversely impact due to the COVID-19 pandemic. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations-COVID-19"* on page 86.

Our Video Business

Our video business primarily consists of digital film production through our Yoodlee Films production house and our production of television series in Tamil language for Sun TV.

Yoodlee Films

Yoodlee Films is our movie production arm that is focused on creating content for third party digital streaming platforms. In addition, in some cases we also license our movies to TV broadcast channels, transactional video on demand (TVoD) and airlines.

We have released 16 films in the last four years, of which 10 have been shown on Netflix, of which 3 Netflix originals, 4 have been shown on Disney+ Hotstar as Hotstar originals and two have been shown on Zee5. Our license agreements for our films have various terms and are on a fixed fee model. The table below sets forth details on the films produced by our Yoodlee Films production house.

Name of Film	Genre of Film	Language of Film	Year Produced	Licensees of Film
Ajji	Thriller	Hindi	2017	Netflix
Kuchh Bheege Alfaaz	Drama	Hindi	2018	Netflix
Brij Mohan Amar Rahe	Thriller	Hindi	2018	Netflix
Ascharya Fuck It	Thriller	Hindi	2018	Netflix
Noblemen	Drama	English	2018	Netflix
Music Teacher	Drama	Hindi	2018	Netflix
Hamid	Drama	Urdu	2018	Netflix
K.D.	Drama	Tamil	2019	Netflix
Chappad Phaad Ke	Comedy	Hindi	2019	Hotstar
Kanpuriye	Drama	Hindi	2019	Hotstar
Axone	Drama	Hindi	2020	Netflix
Chaman Bahaar	Drama	Hindi	2020	Netflix
Comedy Couple	Comedy	Hindi	2020	Zee5
Bahut Hua Samman	Drama	Hindi	2020	Hotstar
Collar Bomb	Thriller	Hindi	2021	Hotstar
200:Halla Ho	Thriller	Hindi	2021	Zee5

Yoodlee Films has positioned itself as a "Writer's Studio" focused on telling stories targeted at younger audiences across the world who primarily consume content on personal devices. Accordingly, the greatest focus of the studio is on script selection which is a rigorous process managed by a team of script readers who evaluate every script on a pre-defined quantitative scale. To attract more writers to work with us, Yoodlee Films has signed up with a number of talent agencies, commits to finite timelines to take decisions on scripts and offers profit sharing to authors.

On the production side, we make films with the help of an experienced in-house creative team that has also won awards and accolades in the feature film category. For example, our production team has won Ananda Vikatana Award for best production of KD movie. We hedge our production cost risks by keeping upfront talent cost low by offering assured profit sharing to key talent. Further, we follow a conservative accounting policy of expensing the total cost of the film in the year of release.

Yoodlee Films is currently concentrating production efforts on regional cinema with films being made in Malayalam, Marathi, Tamil, and Punjabi with leading talents in these languages to capitalize on the increased demand for regional content.

Tamil Television Series

We produce television series content for South Indian broadcast channels. We have created over 6,000 hours of content for Sun TV over the last over the last 20 years from 2001 to 2021. For example, in the month of September 2021, we provided around 37.5 hours of new content across 3 serials on Sun TV, of which the IP rights are owned by our Company. We monetize these serials by selling of commercial times (advertising inventory) aired during our program on the TV channel. We also monetize these serials on other platforms like YouTube and Facebook and we plan to do the same on other video platforms as well. Our South TV YouTube channel garnered over 1.5 billion views in Fiscal 2021.

Currently, our popular TV serials include Roja, Chandralekha and Abne Vaa. Roja was the leading serial on Sun TV during 2020 and the first half of 2021. Chandralekha became the first Tamil serial to cross 2,000 episodes whereas Anbe Vaa, launched on prime-time slot on Sun TV in November 2020, is garnering 8+ television rating point currently.

The table below sets forth details on major television series that we have produced in the past five years.

Title of Series	Genre of Film	Language	Years Produced	Licensees of Series
Anbe Vaa	Soap opera	Tamil	2020 – present	Sun Tv
Roja	Soap opera	Tamil	2018 – present	Sun Tv
Chandralekha	Soap opera	Tamil	2014 – present	Sun Tv

Title of Series	Genre of Film	Language	Years Produced	Licensees of Series
Valli	Soap opera	Tamil	2012-2019	Sun Tv

Our Publishing Business

Our publication segment is centered on Open Magazine, a weekly current affairs and features magazine. The magazine targets the top strata of the society and intellectual readers and provides a platform to top brands to promote their product and services. Open Magazine was launched in April 2009 and is available in print form across India. It is now also available as an e-Magazine to enhance its reach.

Intellectual Property

The success of our business depends on our ability to protect and enforce our vast library of intellectual property rights, including copyrights and trademarks. We protect our intellectual property under copyright, trademark and patent laws through a combination of intellectual property registration, employee or third-party assignment and nondisclosure agreements, other contractual restrictions, technological measures, and other methods.

Copyright

Our business, like that of other companies involved in the music, video and publishing segments of the entertainment industry, rests on our ability to maintain rights in sound recordings and musical compositions, videos and published magazines through copyright protection.

Copyright in India is protected by the Copyright Act of 1957 as amended by the Copyright Amendment Act, 2012. Under section 13 of the Copyright Act 1957, copyright protection is conferred on literary works, dramatic works, musical works, artistic works, cinematograph films and sound recording. Copyright refers to a bundle of exclusive rights vested in the owner of copyright by virtue of Section 14 of the Copyright Act 1957. These rights can be exercised only by the owner of copyright or by any other person who is duly licensed in this regard by the owner of copyright. These rights include the right of adaptation, right of reproduction, right of publication, right to make translations, and communication to public. Copyright protection is conferred on all “original” literary, artistic, musical or dramatic, cinematograph and sound recording works. “Original” means that the work has not been copied from any other source. Copyright protection commences the moment a work is created, and its registration is optional. Copyright registration does not confer any rights and is merely a prima facie proof of an entry in respect of the work in the Copyright Register maintained by the Registrar of Copyrights. The Copyright Amendment Act, 2012 provided that copyright extended to digital media including streaming. Under Indian law, the general rule is that copyright lasts for 60 years. In the case of original literary, dramatic, musical and artistic works the 60-year period is counted from the year following the death of the author or composer.

Indian copyright laws only provide copyright protection within the borders of India. Hence, to secure protection to Indian works in foreign countries, India has become a member of the following international conventions on copyright:

- Berne Convention for the Protection of Literary and Artistic works.
- Universal Copyright Convention.
- Convention for the Protection of Producers of Phonograms against Unauthorised Duplication of their Phonograms.
- Multilateral Convention for the Avoidance of Double Taxation of Copyright Royalties.
- Trade Related Aspects of Intellectual Property Rights (TRIPS) Agreement.

We are largely dependent on legislation in each territory to protect our rights against unauthorized reproduction, distribution, public performance or rental. In all territories, our intellectual property receives some degree of copyright protection, although the extent of effective protection varies widely. In a number of countries, the protection of copyright remains inadequate.

Trademarks

We consider our trademarks to be valuable assets to our business. Our major trademarks include the words "Saregama", "Saregama Carvaan", "Carvaan", "Carvaan Musicbar", "Carvaan Karaoke", "Carvaan Saathi", "Carvaan Nights", , "Carvaan Beats", "Carvaan Fest", "Carvaan Jam", "Carvaan Pop-ups", "Carvaan 2.0", "Carvaan Line" and "Carvaan Lounge", and in most cases their respective logos and marks have been registered with the Registrar of Trademarks in India under the Trade Mark Act, 1999.

Patents

In respect of our Carvaan method and system for playing music, we have registered patents in India, Great Britain and South Africa and have applied for patent protection in the Canada, China, the European Union, South Korea, Indonesia, the United States and under the Patent Corporation Treaty.

Protecting our Intellectual Property

We employ technology including sophisticated algorithms and software tools to actively monitor and protect against activities that might infringe, dilute or otherwise harm our copyright, trademarks and patents. Our IT team works with our content experts to constantly monitor usage of our music by third party applications, sites and videos across social media platforms and applications to catch any unauthorized usage. Further, to obtain, maintain, protect and enforce our intellectual property rights, we take a variety of measures, including, if necessary, litigation or proceedings before governmental authorities and administrative bodies.

Technological changes have focused attention on the need for new legislation that will adequately protect the rights of owners of content in the music, video and publishing segments of the entertainment industry. We actively lobby in favor of industry efforts to increase copyright protection and support the efforts of a number of Indian and international organizations such as IMI.

Competition

In our music, video and publishing businesses, we compete based on marketing (including both how we allocate our marketing resources as well as how much we spend) and on acquiring artists, music and music libraries. We believe we currently compete favorably in these areas. Our music, video and publishing businesses also compete for consumers acceptance and popularity in their respective genres. Additionally, we compete, to a lesser extent, for disposable consumer income with alternative forms of entertainment, content and leisure activities, such as cable and satellite television, motion pictures and video games in physical and digital formats. Our music and video businesses are also dependent on technological development, including access to, selection and viability of new technologies, and is subject to potential pressure from competitors as a result of their technological developments.

For further information regarding the competition in the music and entertainment industries, please see "*Industry Overview*" on page 122.

Information Technology

Our IT systems are vital to our business, and we have our own inhouse technology team. We intend to continue to invest in our IT systems to enhance process efficiencies and to support our sales, marketing, content research, IP protection and control, financial control and customer interaction. Our information technology systems help serve our customers, ensure efficiency in and improve productivity of our operations as well as help in determining consumer preferences and assisting us to acquire music. We have a scalable information technology infrastructure designed to support the growth of our business and to help ensure the reliability of our operations as well as the security of customer information. The main components of our technology architecture are described below.

Systems Applications and Products in Data Processing. Systems Applications and Products in Data Processing ("**SAP**") maintains records for accounts payable, accounts receivables and inventory, as well as banking and general ledgers. The system, which is hosted at our main data centre, operates based on a centralized model and has integration capabilities for new cloud-based applications. SAP also allows us to better manage our finances, inventory and purchasing through the provision of real-time data from our several locations.

Data Collection and Analytics. Through our IT systems and operations, we collect large amounts of data regarding music, artists and songs as well as consumer data (demographic and preferences) and other information, which we use to determine, for example, whether we want to acquire a song, artist or a library of songs or artists, consumer trends, seasonal trends, marketing trends and a variety of other information that we need to operate our business. We use a number of proprietary IT tools, software and algorithms in our acquisition and analysis of data. To assist content creators, we also have built a browser-based search functionality, using the song metadata, to help find the best song fit for their advertisement or program.

Intellectual Property Protection. We employ technology including sophisticated algorithms and software tools to actively monitor and protect against activities that might infringe, dilute or otherwise harm our copyright, trademarks and patents. Our IT team works with our content experts to constantly monitor usage of our music by third party applications, sites and videos across social media platforms and applications to catch any unauthorized usage.

Data Recovery.

Our data backup process works on a 3-day independent rolling active backups. The data in our production environment is backed up 3 times a week on independent data cartridges. These cartridges are then archived for future reference. These backups are verified for data integrity. From a business continuity perspective, we have a real-time data synchronization with a disaster recovery setup.

Environment, Social and Governance (ESG)

We are subject to Indian laws and regulations relating to the protection of the environment, human health and safety and have procedures in place to ensure compliance. Our Company understands the extent of impact its business has on the global community and recognizes its duty to conduct business in a socially responsible manner.

We are committed to minimize our impact on the natural environment and conduct business in an environmentally responsible manner.

Our Company is an equal opportunity employer and has adopted policies, guidelines and procedures to prohibit discrimination. Furthermore, we have a zero tolerance policy towards harassment, whether sexual, verbal, physical or psychological against any employee. As the COVID-19 pandemic has been an emotionally difficult time, we organized virtual activities and meetings such as four mental wellness and stress management sessions along with yoga sessions on a quarterly basis. Furthermore, the COVID-19 vaccination drive was launched at a Pan India level to cover maximum number of employees and their families.

We are committed to upholding the highest standards of corporate governance as we believe in transparency and integrity as our core values. We have an internal code of conduct, which is referred during the day to day operations of the Company. The code of conduct covers all our employees, independent directors and board of directors. To further facilitate our governance centric approach, we have invested in compliance management tools such as SAP-ERP for accounting transparency amongst other business practices. Additionally, the Company also has set of Suppliers Guidelines which sets forth our expectations with respect to how our suppliers should adhere to applicable laws and regulations, mitigate adverse impacts on the environment, incorporate more efficient measures for conducting business and adopt better governance practices.

Employees

As of September 30, 2021, we had 266 full-time employees located in India.

We provide training for our employees to help ensure quality service to customers and audience. We have established an online training and career development system to address several aspects of employee training including basic training for new personnel, continuous training through online learning and distance education and technical and managerial development courses.

Success of our operations depends on availability of our employees. Our employees do not belong to trade unions or associations. We have not had instance of strikes, lockouts or labour disputes in the past.

Our continuous endeavour is to build an inclusive culture. As a Company with an international presence in the music industry, we strive to encompass people from diverse backgrounds. We consciously monitor our commitments towards diversity inclusion with policies framed to promote equality for all. As of September 30, 2021, women employees represented 24% of our work force

Our workforce has been impacted by COVID-19, see "*Risk Factors-The impact of the COVID-19 pandemic is uncertain and still evolving, and could adversely affect our business, results of operations and financial condition*" on page 50.

Insurance

Our corporate head office and regional offices are insured against fire and certain allied perils, including terrorism damage. We also have several other insurance policies covering equipment, statutory employee liability insurance, all risks relating to information systems equipment (including losses caused by electrical breakdowns), burglary causing loss and workers' compensation. We have also obtained management liability insurance. Additionally, our Company and our Subsidiaries are insured against professional indemnity liability including liability arising out of breach of confidentiality, third party public liability and loss of goodwill.

Property

Our Company's registered office is located at 33, Jessore Road, Dum Dum, Kolkata - 700028, West Bengal, India, which is owned by the Company on a freehold basis. Our Company's corporate head office is located in a leased premises at 2nd Floor, Spencer Building, 30, Forjett Street, Grant Road (W), Mumbai – 400 036, India. We also have regional offices in leased premises in Delhi, Chennai, Dubai and the United Kingdom.

Corporate Social Responsibility

In compliance with the requirements of Section 135 of the Act read with the Companies (Corporate Social Responsibility) Rules, 2014, the Board of Directors have constituted a Corporate Social Responsibility ("CSR") Committee, which is constituted by three Independent Directors. Our CSR activities are focused on the (i) provision of access to basic healthcare services and facilities, safe drinking water and sanitation and conducting health awareness camps, (ii) empowerment of the disadvantaged sections of society through promoting inclusive education for all, as well as through livelihood generation and skill development, (iii) supporting environmental and ecological balance through energy conservation, (iv) undertaking livelihood generation and promotion and women empowerment projects and (v) undertaking and supporting sports activities and programmes of art and culture in various forms. We have also contributed to establishment of an international baccalaureate school in Kolkata, India. In Fiscal 2021, we have provided ₹137.19 lakhs towards CSR activities.

Recent Developments – COVID 19 Pandemic

For further information on the impact of COVID-19 on our business and the risks associated with COVID-19 to our business, see "*Risk Factors - The impact of the COVID-19 pandemic is uncertain and still evolving, and could adversely affect our business, results of operations and financial condition.*" on page 50.

ORGANISATIONAL STRUCTURE

Corporate history

Our Company was originally incorporated on August 13, 1946 in West Bengal as 'The Gramophone Company (India) Limited', a private limited company under the Companies Act, 1913 pursuant to a certificate of incorporation issued by the Registrar of Joint Stock Companies, Bengal. Subsequently, the name of our Company was changed to 'The Gramophone Company of India Limited' pursuant to a certificate of alteration in the name of our Company dated April 2, 1947 issued by the Assistant Registrar, Joint Stock Companies, Bengal. The word 'Private' was later added to the certificate of incorporation dated August 13, 1946 in the name of 'The Gramophone Company (India) Private Limited' was endorsed by the Assistant Registrar of Companies, West Bengal on April 3, 1956. Further, the word 'Private' was added to the name of our Company with effect from April 1, 1956 and a second certificate of incorporation was issued by the Assistant Registrar of Companies, West Bengal on December 4, 1964 in the name of 'The Gramophone Company of India (Private) Limited'. Thereafter, our Company was converted into a public limited company and the name of our Company was changed to 'The Gramophone Company of India Limited' pursuant to a fresh certificate of incorporation consequent on change of name issued to our Company dated November 4, 1968 by the Assistant Registrar of Companies, West Bengal. On November 3, 2000, the name of our Company was changed to 'Saregama India Limited' and a fresh certificate of incorporation consequent on name change was issued to our Company by the RoC. The Registered and Corporate Office of our Company is situated at 33, Jessore Road, Dum Dum, Kolkata – 700 028, West Bengal, India

Changes in registered office

There has been no change in the registered office of our Company since incorporation.

Our Subsidiaries

As on date of this Preliminary Placement Document, our Company has five direct Subsidiaries and one step-down Subsidiary.

Direct Subsidiaries

1. Kolkata Metro Networks Limited
2. Open Media Network Private Limited
3. RPG Global Music Limited
4. Saregama FZE
5. Saregama Limited (*formerly known as Saregama Plc.*)

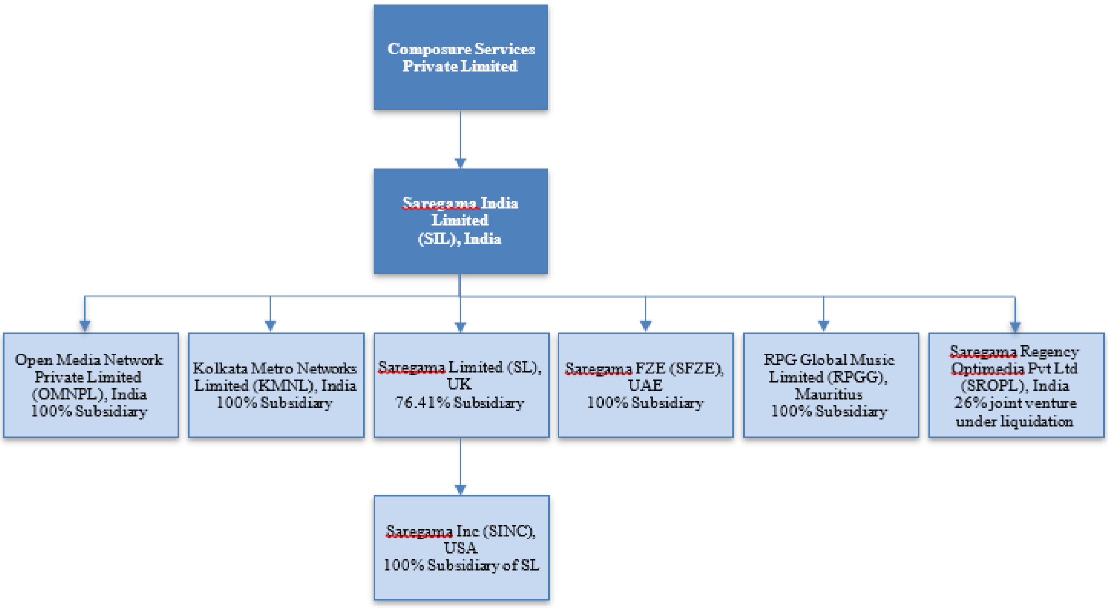
Step-down Subsidiary

1. Saregama Inc

Our joint venture

As on date of this Preliminary Placement Document, our Company has one joint venture Saregama Regency Optimedia Private Limited, which has been directed to be wound up by an order of the High Court of Calcutta dated September 19, 2016.

The organisational structure of our Company as on this Preliminary Placement Document is as follows:



BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

Board of Directors

The Board of Directors of our Company is entrusted with the implementation of the activities of our Company in an effective and efficient manner and is bestowed with the ultimate responsibility of the management of our Company. The composition of our Board is governed by the provisions of the Companies Act, 2013, the Articles of Association of our Company and the SEBI Listing Regulations. In alignment with the SEBI Listing Regulations, all the statutory and the significant and material information is placed before the Board in order to enable it to take and implement strategic decisions for the utmost benefit of the organization as well as the stakeholders. The Articles of Association of our Company provide that the number of Directors shall not be less than three and not more than 12, unless otherwise determined by a special resolution in a general meeting.

As on the date of this Preliminary Placement Document, our Company has nine Directors on its Board, comprising of three Non-Executive Non-Independent Directors, one Executive Director and five Independent Directors (including a woman Independent Director).

The following table sets forth details regarding the Board at the date of this Preliminary Placement Document:

Name, Address, Occupation, Nationality, Term and DIN	Age (years)	Designation
Sanjiv Goenka *Address:* Goenka Nivas, 19 Belvedere Road, Alipore, Kolkata-700027, West Bengal *Occupation:* Industrialist *Nationality:* Indian *Term:* Liable to retire by rotation *DIN:* 00074796	60	Chairman and Non-Executive Non-Independent Director
Vikram Mehra *Address:* 901, Signia Pearl, G Block, BKC, Mumbai- 400051, Maharashtra *Occupation:* Service *Nationality:* Indian *Term:* For a period of five years with effect from October 27, 2019 and shall be liable to retire by rotation. *DIN:* 03556680	50	Managing Director
Preeti Goenka *Address:* 19 Belvedere Road, Alipore, Kolkata- 700027, West Bengal *Occupation:* Industrialist *Nationality:* Indian *Term:* Liable to retire by rotation *DIN:* 05199069	59	Non- Executive Non- Independent Director
Avarna Jain	36	Non- Executive Non- Independent Director

Name, Address, Occupation, Nationality, Term and DIN	Age (years)	Designation
Address: 47, Golf Links, Lodi Road, South Delhi, New Delhi-110003 *Occupation:* Businesswoman *Nationality:* Indian *Term:* Liable to retire by rotation *DIN:* 02106305		
Umang Kanoria *Address:* 12C, Judges Court Road, Alipore H.O., Kolkata-700027, West Bengal *Occupation:* Business *Nationality:* Indian *Term:* September 28, 2020 to September 27, 2025 *DIN:* 00081108	62	Independent Director
Santanu Bhattacharya *Address:* House no. 607, Block 'O', Flat no. 2B, New Alipore, Kolkata- 700053, West Bengal *Occupation:* Retired Corporate Executive *Nationality:* Indian *Term:* December 22, 2020 to December 21, 2025. *DIN:* 01794958	74	Independent Director
Arindam Sarkar *Address:* Active Acres, Tower 4, 19th Floor, Flat 19B, 54/10, D C Dey Road, Tangra, Kolkata- 700015, West Bengal *Occupation:* Advocate *Nationality:* Indian *Term:* December 22, 2020 to December 21, 2025 *DIN:* 06938957	41	Independent Director
Noshir Naval Framjee *Address:* 22, Block H, New Alipore, Kolkata- 700053, West Bengal *Occupation:* Retired *Nationality:* Indian *Term:* June 12, 2017 to June 11, 2022* *DIN:* 01646640	79	Independent Director
Suhana Murshed	38	Independent Director

Name, Address, Occupation, Nationality, Term and DIN	Age (years)	Designation
Address: 15, Nasiruddin Road, Near Quest Mall, Circus Avenue, Kolkata- 700017, West Bengal *Occupation:* Advocate *Nationality:* Indian *Term:* March 23, 2021 to March 22, 2026 *DIN:* 08572394		

[*]He has been re-appointed as an Independent Director for a period of five years from June 12, 2022 to June 11, 2027 by Board resolution dated May 12, 2021 and Shareholders resolution dated August 16, 2021.

Brief profiles of our Directors

Sanjiv Goenka, aged 60 years, is the Chairman of our Company. He has been a director on our Board since August 17, 1991. He is currently on the board of directors of various companies including Phillips Carbon Black Limited, Firstsource Solutions Limited, Spencer International Hotels Limited, Haldia Energy Limited, RPSG Ventures Limited, CESC Limited, Spencer and Company Limited, Spencer's Retail Limited and ATK Mohun Bagan Private Limited.

Vikram Mehra, aged 50 years, is the Managing Director of our Company. He has been a director on our Board since October 27, 2014. He is currently on the board of directors of various companies including Indecent Foods Private Limited, Editorji Technologies Private Limited and The Indian Performing Right Society Limited.

Preeti Goenka, aged 59 years, is a Non-Executive Non-Independent Director of our Company. She has been a director on our Board since May 27, 2013. She is currently on the board of directors of Phillips Carbon Black Limited.

Avarna Jain, aged 36 years, is a Non-Executive Non-Independent Director of our Company. She has been a director on our Board since May 29, 2018. She is currently on the board of directors of Spencer International Hotels Limited and Grand Royale Enterprises Limited.

Umang Kanoria, aged 61 years, is an Independent Director of our Company. He has been a director on our Board since September 28, 2015. He is currently on the board of directors of various companies including Kanco Enterprises Limited, Cosmos Resources Private Limited, Spencer and Company Limited, Kanco Tea & Industries Limited, ET Resources Private Limited, STEL Holdings Limited, The Bengal Rowing Club, Woodlands Multispeciality Hospital Limited and Winnow Investments and Securities Private Limited.

Santanu Bhattacharya, aged 74 years, is an Independent Director of our Company. He has been a director on our Board since December 22, 2015. He is currently on the board of directors of various companies including Quest Properties India Limited, Landis Gyr Limited and Ranchi Power Distribution Company Limited.

Arindam Sarkar, aged 41 years, is an Independent Director of our Company. He has been a director on our Board since December 22, 2015. He is currently on the board of directors of Albert David Limited.

Noshir Naval Framjee, aged 79 years, is an Independent Director of our Company. He has been a director on our Board since June 12, 2017. He is currently on the board of directors of various companies including Apricot Foods Private Limited, Crescent Power Limited, Haldia Energy Limited and Integrated Coal Mining Limited.

Suhana Murshed, aged 38 years, is an Independent Director of our Company. She has been a director on our Board since March 23, 2021. She is currently on the board of directors of various companies including Kanoria Chemicals & Industries Limited, Xpro India Limited, STEL Holdings Limited and Sallum Private Limited.

Relationship between Directors

Except as state below, none of the Directors on our Board are related to each other.

Name of the Directors	Relationship
Sanjiv Goenka	Husband of Preeti Goenka
	Father of Avarna Jain
Preeti Goenka	Wife of Sanjiv Goenka
	Mother of Avarna Jain
Avarna Jain	Daughter of Sanjiv Goenka and Preeti Goenka

Borrowing powers of our Board

Our Company has, pursuant to a special resolution dated July 31, 2015 passed under section 180(1)(c) of Companies Act, 2013, subject to the provisions of our Articles of Association and applicable laws, authorised the Board of Directors to borrow any sum or sums of money from time to time, which together with the money already borrowed by our Company may exceed the aggregate of the paid-up share capital and free reserves of our Company provided, however, that the total amount borrowed and outstanding at any point of time (apart from temporary loans obtained/to be obtained from our Company's bankers in the ordinary course of business as defined under explanation to section 180(1)(c) of the Companies Act) shall not, at any time exceed the sum of ₹10,000 lakh (Rupees ten thousand lakh only).

Interest of our Directors

All our Directors may be deemed to be interested to the extent of the remuneration, fees and compensation payable to them for attending meetings of our Board or committees thereof, commission as well as to the extent of reimbursement of expenses payable to them. Arindam Sarkar and Suhana Murshed, Independent Directors of our Company, are partners with Khaitan & Co. LLP and Khaitan & Co. Our Company avails legal services from Khaitan & Co. LLP and Khaitan & Co. from time to time and makes payment for the same. Suhana Murshed and Arindam Sarkar may be deemed to be interested to the extent of fees payable to Khaitan & Co. LLP and Khaitan & Co.

All of our Directors may also be regarded as interested in any Equity Shares held by them and also to the extent of any dividend payable to them and other distributions in respect of such Equity Shares held by them. All Directors may also be regarded as interested in the Equity Shares held by, or subscribed by and allotted to, their relatives or the companies, firms and trust, in which they are interested as directors, members, partners, trustees.

Except as provided in "*Related Party Transactions*" on page 81, we have not entered into any contract, agreement or arrangement during the three Fiscals immediately preceding the date of this Preliminary Placement Document in which any of our Directors are interested, directly or indirectly, and no payments have been made to them in respect of any such contracts, agreements, arrangements which are proposed to be made with them. For further details relating to contracts, agreements or arrangements entered into by our Company during the last three Fiscals, in which the Directors are interested directly or indirectly and for payments made to them in respect of such contracts, agreements or arrangements and for other interest of Directors in respect to the related party transactions, during the last three Fiscals, see "*Related Party Transactions*" on page 81.

Shareholding of Directors

Except Vikram Mehra, our Managing Director, who holds 2,54,000 Equity Shares (1.46% of the issued and paid up Equity Share capital) of our Company, none of our Directors hold any Equity Shares in our Company as on the date of this Preliminary Placement Document.

Terms of Appointment of our Managing Director

Vikram Mehra, Managing Director

Vikram Mehra has been associated with our Company as the Managing Director since October 27, 2014. Pursuant to a resolution of our Board dated May 8, 2019 and a resolution of our Shareholders dated July 19, 2019, he was re-appointed as the Managing Director. His term of appointment is for a period of five years with effect from October 27, 2019.

Our Company has entered into an employment agreement dated December 23, 2014 with Vikram Mehra which governs the terms and conditions of his appointment, including remuneration. The agreement was last amended on January 24, 2018 to account for increase in his remuneration. Further, his remuneration is determined from time-to-time by the Nomination and Remuneration Committee and the Board and in accordance with the resolution of the Board and Nomination and Remuneration Committee Resolutions dated March 23, 2021**,** and a resolution of our Shareholders dated August 16, 2021, with effect from January 1, 2021 for a period of three years i.e., up to December 31, 2023. he is entitled to:

Particulars	Details
Basic salary	₹ 117.84 lakh per annum. The basic salary and increments will be decided by the Nomination and Remuneration Committee/Board of Directors depending on his performance, the profitability of our Company and other relevant factors.
Perquisites and other benefits	(i) House rent allowance- ₹ 71.78 lakh per annum (ii) Customised allowance pool (comprising of management allowance)- ₹ 318.76 lakh per annum (iii) Car allowance- ₹ 18.85 lakh per annum (iv) Driver, petrol and others- ₹ 9.43 lakh per annum (v) Medical allowance- ₹ 29,472 per annum (vi) Performance bonus- ₹ 125.00 lakh per annum. This is an indicative amount. The actual bonus basic salary and increments will be decided by the Nomination and Remuneration Committee/Board of Directors depending on his performance, and of our Company. (vii) Provident fund- ₹ 14.14 lakh per annum. (viii) Term life insurance, corporate club fees and premium of medical insurance shall be borne by the Company. (ix) Reimbursement of telephone expenses for one landline and one mobile connection. (x) Company's contribution to the Provident Fund will be as per rules of the Company and shall be subject to ceilings as may be prescribed from time to time under the Income Tax Act, 1961 and the rules framed thereunder provided that these either singly or put together are not taxable under the provisions of Income Tax Act. (xi) Gratuity payable and earned leave shall be in accordance with Company policy and the Rules of the Company. (xii) Perquisites arise on exercise of share options or as defined under the Income Tax Act, 1961.

Set out below are the details of the remuneration paid to Vikram Mehra for the six months period ended September 30, 2021 and during the last three Fiscals:

(in ₹ lakh)

Sr. No.	Category	As on September 30, 2021	Fiscal 2021	Fiscal 2020	Fiscal 2019
1.	Salary and Allowances	462.49	587.74	549.32	484.22
2.	Perquisites	6.16	12.31	14.23	13.88
3.	Contribution to Provident Fund and Gratuity	44.25	42.24	29.59	24.83

Remuneration of the non-executive Directors

Pursuant to Board resolution dated June 5, 2020 and Shareholders' resolution passed in the general meeting dated August 11, 2020, our Board is authorised to pay commission at a rate not exceeding 3% of the net profits of our Company to the non-executive Directors of our Company.

The remuneration paid to the Non-Executive Directors, including Independent Directors, by way of sitting fees is:

- ₹ 20,000 per meeting for the Board Meeting; and

- ₹ 5,000 per meeting for Audit Committee meeting, Nomination and Remuneration Committee meeting, Stakeholders Relationship Committee meeting, Risk Management Committee meeting and Corporate Social Responsibility Committee meeting.

The following table sets forth the sitting fees paid by our Company to the non-executive Directors, including Independent Directors, for the six months period ended September 30, 2021, Fiscal 2021, Fiscal 2020 and Fiscal 2019:

(in ₹ lakh)

Name	As on September 30, 2021	Fiscal 2021	Fiscal 2020	Fiscal 2019
Sanjiv Goenka	0.60	1.25	1.20	1.15
Preeti Goenka	0.40	1.00	0.80	0.80
Avarna Jain	0.40	1.00	0.80	0.60
Umang Kanoria	1.10	1.40	0.50	1.30
Santanu Bhattacharya	1.20	1.95	1.75	1.30
Arindam Sarkar	0.60	1.00	0.80	0.85
Noshir Naval Framjee	1.00	1.70	1.75	1.25
Sushila Goenka(1)	NA	NA	NA	0.40
Bhaskar Raychaudhuri(2)	NA	NA	NA	1.30
Kusum Dadoo(3)	NA	0.60	NA	NA
Suhana Murshed(4)	0.40	NA	NA	NA

(1) Ceased to be a director with effect from July 15, 2018.
(2) Ceased to be a director with effect from November 20, 2018.
(3) Ceased to be a director with effect from February 4, 2021.
(4) Appointed pursuant to a Board resolution dated March 23, 2021 and the Shareholders' resolution dated August 16, 2021.

Senior Management Personnel

In addition to Vikram Mehra, our Managing Director, whose details are set out in "*-Brief profiles of our Directors*" on page 169, the brief profiles of our Senior Management Personnel are given below:

Vineet Garg, aged 51 years, is the Chief Financial Officer of our Company since May 29, 2018.

Deepak Jain, aged 33 years, has been associated with our Company since January 15, 2018. He was appointed as the Interim Chief Financial Officer of our Company with effect from September 16, 2021 till such date when the Chief Financial Officer, who is currently on medical leave, resumes office.

Rashna Pochkhanawala, aged 46 years, has been associated with our Company since March 30, 2015. She was appointed as the Senior Vice President- Music Licensing of our Company with effect from July 1, 2020.

Kumar Ajit, aged 44 years, has been associated with our Company since June 7, 2016. He was appointed as the Senior Vice President- Music Retail of our Company with effect from July 1, 2019.

Siddharth Anand Kumar, aged 46 years, has been associated with our Company since June 15, 2016. He was appointed as the Vice President- Films and Series of our Company with effect from July 1, 2016.

B.R. Vijayalakshmi, aged 63 years, has been associated with our Company since January 30, 2000. She was appointed as the Senior Vice President- South TV and Films of our Company with effect from July 1, 2017.

Kamana Goenka, aged 30 years, is the Company Secretary and Compliance Officer of our Company since August 4, 2017.

Relationship of Senior Management Personnel

None of the Senior Management Personnel of our Company are related to each other.

Shareholding of Senior Management Personnel

Except as disclosed below and in "*-Shareholding of Directors*" on page 170, as of the date of this Preliminary Placement Document, none of our Senior Management Personnel hold any Equity Shares in our Company.

Sr. No.	Name	Number of Equity Shares held	Percentage of the issued and paid-up Equity Share capital (in %)
1.	Vineet Garg	500	*Negligible*
2.	Kumar Ajit	11,500	0.07

Interest of our Senior Management Personnel

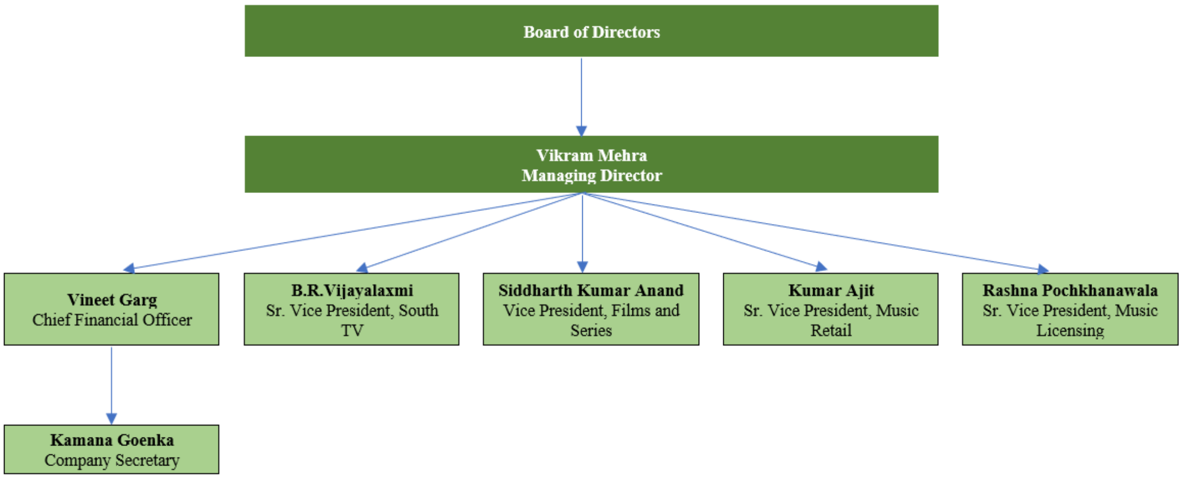
Except as stated below and in "*Related Party Transactions*" on page 81, our Senior Management Personnel do not have any other interest in our Company or its business.

The Senior Management Personnel of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them and to the extent of the Equity Shares held by them or their dependants in our Company, if any, and any dividend payable to them and other distributions in respect of such Equity Shares.

Except as disclosed in "-*Terms of Appointment of our Managing Director*" on page 170, our Company does not have any bonus or profit-sharing plan with its Directors or Senior Management Personnel.

Management Organisation structure

Following is our management organisation structure:



Corporate governance

The Board of Directors presently consists of nine Directors. In compliance with the requirements of the SEBI Listing Regulations, the Board of Directors has five Independent Directors including one woman Independent Director. Our Company is in compliance with the corporate governance requirements including the constitution of Board and committees thereof, as prescribed under the Companies Act and SEBI Listing Regulations.

Committees of the Board of Directors

The Board of Directors have constituted committees, which function in accordance with the relevant provisions of the Companies Act and the SEBI Listing Regulations. The following table sets forth the members of the aforesaid committees as of the date of this Preliminary Placement Document:

Committee	Members
Audit Committee	Umang Kanoria (*Chairman*); Santanu Bhattacharya and Noshir Naval Framjee
Nomination and Remuneration Committee	Noshir Naval Framjee (*Chairman*); Umang Kanoria and Santanu Bhattacharya
Stakeholders' Relationship Committee	Sanjiv Goenka (*Chairman*), Umang Kanoria and Santanu Bhattacharya

Committee	Members
Risk Management Committee	Vikram Mehra (*Chairman*); Santanu Bhattacharya and Noshir Naval Framjee
Corporate Social Responsibility Committee	Umang Kanoria (*Chairman*); Santanu Bhattacharya and Noshir Naval Framjee

Other confirmations

Except as disclosed in this Preliminary Placement Document, and except to the extent of shareholding in our Company, our Directors, Promoter or Senior Management Personnel do not have any financial or other material interest in the Issue and there is no effect of such interest in so far as it is different from the interests of other persons.

Except Siddharth Anand Kumar, Vice President- Films and Series, who is associated with our Company as a consultant, all Senior Management Personnel are permanent employees of our Company.

Our Promoter, Directors and Senior Management Personnel do not intend to subscribe to the Issue and will not participate in the Issue.

Neither our Company, nor any of our Directors or Promoter have been categorized as a wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

Neither our Company, nor our Directors or Promoter have been debarred from accessing capital markets under any offence under any order or direction made by SEBI.

None of our Directors or Promoter have been declared as a Fugitive Economic Offender.

Except as disclosed below, as on the date of this Preliminary Placement Document, there are no outstanding options granted to our Directors or Senior Management Personnel under the Saregama ESOS 2013.

Sr. No.	Name	Number of options granted but not yet vested	Number of options vested but not yet exercised
1.	Vikram Mehra	18,000	18,000
2.	Vineet Garg	10,000	Nil
3.	Rashna Pochkhanawala	2,000	Nil

Policy on disclosures and internal procedure for prevention of insider trading

Chapter IV of the SEBI Insider Trading Regulations applies to our Company and its employees and requires our Company to implement codes of fair disclosure and conduct for the prevention of insider trading. In compliance with the SEBI Insider Trading Regulations, our Company has in place a comprehensive Code of Conduct to Regulate, Monitor and Report Trading by Insiders. The afore-mentioned Code is posted on the website of our Company at the link: https://www.saregama.com/static/investors?srgm_tracker=footer.

Employee stock option plan

For the details of options granted under the Saregama ESOS 2013, see "*Capital Structure- Employee stock option scheme*" on page 79.

SHAREHOLDING PATTERN OF OUR COMPANY

The shareholding pattern of our Company as on September 30, 2021 is set forth below:

Table I - Summary Statement holding of specified securities:

Category of shareholder	No. of shareholders	No. of fully paid-up equity shares held	Total no. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	No. of equity shares held in dematerialized form
(A) Promoter & Promoter Group	3	1,11,14,979	1,11,14,979	63.77	1,11,14,979	63.77	1,11,14,979
(B) Public	38,659	62,77,033	62,77,033	36.01	62,77,033	36.01	61,98,450
(C1) Shares underlying DRs							
(C2) Shares held by Employee Trust	1	38,000	38,000	0.22	38,000	0.22	38,000
(C) Non-Promoter-Non-Public	1	38,000	38,000	0.22	38,000	0.22	38,000
Grand Total	**38,663**	**1,74,30,012**	**1,74,30,012**	**100**	**1,74,30,012**	**100.00**	**1,73,51,429**

Note: C=C1+C2
Grand Total=A+B+C

Table II - Statement showing shareholding pattern of our Promoter and Promoter Group:

	Category and name of the shareholder s	Entity type i.e. Promoter OR promoter group entity (except promoter)	PAN	No. of share holde rs	No. of fully paid- up equity shares held	Partl y paid- up equit y share d held	No. of shares underl ying Deposi tory Receip ts	Total no. of shares held	Share holding % calcula ted as per SCRR, 1957	Number of voting rights held in each class of securities				No. of shares underlyin g outstandi ng convertib le securities (as a percentag e of diluted share capital	Sharehol ding, as a % assuming full conversio n of convertibl e securities (as a percentag e of diluted share capital)	No. of locked in shares		No. of shares pledged or otherwise encumbered		No. of equity shares held in demateriali zed form
										No. of voting rights			Tot al as a % of Tota l votin g right s							
										Class X	Cl ass Y	Total				No.	As a % of total shares held	No.	As a % of total shares held	
1)	Indian																			
(a)	Individuals/ Hindu undivided Family	-	-	0	0	0	0	0	0	0	0	0	0	0	0	-	-	-	-	-
(b)	Central Government/ State Government(s)	-	-	0	0	0	0	0	0	0	0	0	0	0	0	-	-	-	-	-
(c)	Financial Institutions/ Banks	-	-	0	0	0	0	0	0	0	0	0	0	0	0	-	-	-	-	-
(d)	Any Other (specify)																			
	Body Corporate *Composure Services Private Limited*	Promoter	AAGCC8734N	1	1,02,91,599	0	0	1,02,91,599	59.05	1,02,91,599	0	10,29,159	59.05	0	59.05	-	-	-	-	1,02,91,599
	Body Corporate *BNK Capital Markets Ltd.*	Promoter Group	AABCB4140N	1	8,23,220	0	0	8,23,220	4.72	8,23,220	0	8,23,220	4.72	0	4.72	-	-	-	-	8,23,220
	Body Corporate *Stel Holdings Limited*	Promoter Group	AADCS3332H	1	160	0	0	160	0.00	160		160	0.00		0.00	-	-	-	-	160
	Sub-Total (A)(1)	**-**	**-**	**3**	**1,11,14,979**	**0**	**0**	**1,11,14,979**	**63.77**	**1,11,14,979**	**0**	**1,11,14,979**	**63.77**	**0**	**63.77**	**-**	**-**	**-**	**-**	**1,11,14,979**
2)	Foreign	-	-	0	0	0	0	0	0	0	0	0	0	0	0	-	-	-	-	-
(a)	Individuals (Non-Resident Individuals/ Foreign individuals)	-	-	0	0	0	0	0	0	0	0	0	0	0	0	-	-	-	-	-
(b)	Government	-	-	0	0	0	0	0	0	0	0	0	0	0	0	-	-	-	-	-

	Category and name of the shareholder s	Entity type i.e. Promoter OR promoter group entity (except promoter)	PAN	No. of share holde rs	No. of fully paid- up equity shares held	Partl y paid- up equit y share d held	No. of shares underl ying Deposi tory Receip ts	Total no. of shares held	Share holding % calcula ted as per SCRR, 1957	Number of voting rights held in each class of securities — No. of voting rights — Class X	Number of voting rights held in each class of securities — No. of voting rights — Cl ass Y	Number of voting rights held in each class of securities — No. of voting rights — Total	Number of voting rights held in each class of securities — Tot al as a % of Tota l votin g right s	No. of shares underlyin g outstandi ng convertib le securities (as a percentag e of diluted share capital	Sharehol ding, as a % assuming full conversio n of convertibl e securities (as a percentag e of diluted share capital)	No. of locked in shares — No.	No. of locked in shares — As a % of total shares held	No. of shares pledged or otherwise encumbered — No.	No. of shares pledged or otherwise encumbered — As a % of total shares held	No. of equity shares held in demateriali zed form
(c)	Institutions	-	-	0	0	0	0	0	0	0	0	0	0	0	0	-	-	-	-	-
(d)	Foreign Portfolio Investors	-	-	0	0	0	0	0	0	0	0	0	0	0	0	-	-	-	-	-
(e)	Any Other (specify)	-	-	0	0	0	0	0	0	0	0	0	0	0	0	-	-	-	-	-
	Sub-total (A)(2)	**-**	**-**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**-**	**-**	**-**	**-**	**-**

Table III - Statement showing shareholding pattern of the Public shareholder:

Category and Name of the shareholder	No. of shareholders	No. of fully paid-up equity shares held	Total no. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	No. of equity shares held in dematerialized form (Not Applicable)
B1) Institutions							
Mutual Funds/	13	4,92,588	492588	2.83	4,92,588	2.83	492,588
*Abakkus Emerging Opportunities Fund-1**	1	2,81,264	281264	1.61	2,81,264	1.61	2,81,264
Alternate Investment Funds	0	0	0	0	0	0	0
Foreign Portfolio Investors	44	16,58,596	16,58,596	9.52	16,58,596	9.52	165,8,596
*Malabar India Fund Limited**	1	7,36,269	7,36,269	4.22	7,36,269	4.22	7,36,269
*Hill Fort India Fund LP**	1	2,76,343	2,76,343	1.59	2,76,343	1.59	2,76,343
Financial Institutions/ Banks	5	762	762	0.00	762	0.00	4
Insurance companies	7	1,706	1,706	0.01	1,706	0.01	0
Sub Total B1	**69**	**21,53,652**	**2153652**	**12.36**	**21,53,652**	**12.36**	**21,51,184**
B2) Central Government/ State Government(s)/ President of India							
Central Government/ State Government(s)/ President of India	2	74	74	0.00	74	0.00	48
Sub Total B2	**2**	**74**	**74**	**0.00**	**74**	**0.00**	**48**
B3) Non-Institutions							
Individual share capital upto Rs. 2 Lacs	37,015	20,99,049	20,99,049	12.04	20,99,049	12.04	20,26,643
Individual share capital in excess of Rs. 2 Lacs	11	7,25,009	7,25,009	4.16	7,25,009	4.16	7,25,009
*Vikram Mehra**	1	2,54,000	2,54,000	1.46	2,54,000	1.46	2,54,000
NBFCs registered with RBI	1	100	100	0.00	100	0.00	100
Any Other (specify)	1,561	12,99,149	12,99,149	7.45	12,99,149	7.45	12,99,149
Bodies corporate	659	10,03,139	10,03,139	5.76	10,03,139	5.76	10,00,248
*Jayshree Nirman Ltd**	1	5,16,981	2.97	5,16,981	5,16,981	2.97	5,16,981
Non-Resident Indian (NRI)	898	2,25,077	2,25,077	1.29	2,25,077	1.29	2,24,285
IEPF	1	70,765	70,765	0.41	70,765	0.41	70,765
Trusts	3	168	168	0.00	168	0.00	168
Sub Total B3	**1,561**	**12,99,149**	**12,99,149**	**7.46**	**12,99,149**	**7.46**	**12,95,466**
B=B1+B2+B3	**38,659**	**62,77,033**	**62,77,033**	**36.01**	**62,77,033**	**36.01**	**61,98,450**

Details of the shareholders acting as persons in Concert including their Shareholding (No. and %):

Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.
** - Disclosure of shareholder holding more than 1% of total number of shares*

Note
(1) PAN would not be displayed on website of Stock Exchange(s).
(2) The above format needs to disclose name of all hoders holding more than 1% of total number of shares
(3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available.

Table IV - Statement showing shareholding pattern of the Non – Promoter – Non-Public Shareholder:

Category and Name of the Shareholders (I)	**No. of shareholders (III)**	**No. of fully paid-up equity shares held (IV)**	**Total nos. shares held (VII = IV+V+VI)**	**Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)**	**Number of equity shares held in dematerialized form (IX)**
C1) Custodian/DR Holder	0	0	0	0	0
C2) Employee Benefit Trust	1	38,000	38,000	0.22	38,000
C= C1+C2	1	38,000	38,000	0.22	38,000

Note

(1) PAN would not be displayed on website of Stock Exchange(s).

(2) The above format needs to disclose name of all holders holding more than 1% of total number of shares

(3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available.

ISSUE PROCEDURE

The following is a summary intended to present a general outline of the procedure relating to the Bidding, application, payment of Bid Amount, Allocation and Allotment of the Equity Shares. The procedure followed in the Issue may differ from the one mentioned below, and investors are assumed to have apprised themselves of the same from our Company or the BRLM. Prospective Investors are advised to inform themselves of any restrictions or limitations that may be applicable to them and are required to consult their respective advisers in this regard. Also see "Selling Restrictions" and "Purchaser Representations and Transfer Restrictions" on page 197 and 207, respectively. Bidders that apply in the Issue will be required to confirm and will be deemed to have represented to our Company, the BRLM and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares.

Our Company, the BRLM and their respective directors, officers, agents, advisors, shareholders, employees, counsel, affiliates and representatives are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not result in triggering an open offer under the SEBI Takeover Regulations and shall be solely responsible for compliance with all the applicable provisions of the SEBI Takeover Regulations, the SEBI Insider Trading Regulations, and other applicable laws.

Qualified Institutions Placement

THE ISSUE IS MEANT ONLY FOR ELIGIBLE QIBs ON A PRIVATE PLACEMENT BASIS AND IS NOT AN OFFER TO THE PUBLIC OR TO ANY OTHER CLASS OF INVESTORS.

This Preliminary Placement Document and the Placement Document has not been, and will not be, filed as a prospectus with the RoC and, no Equity Shares will be offered in India or overseas to the public or any members of the public or any other class of investors, other than Eligible QIBs.

The Issue is being made to Eligible QIBs in reliance upon Chapter VI of the SEBI ICDR Regulations and Section 42 and other applicable provisions of the Companies Act, through the mechanism of a QIP. Under Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act and other applicable provisions of the Companies Act, a listed company may issue eligible securities to Eligible QIBs provided that certain conditions are met by such Company. Some of these conditions are set out below:

- the shareholders of the Company have passed a special resolution approving such QIP. Such special resolution must *inter alia* specify that, (a) the allotment of securities is proposed to be made pursuant to the QIP; and (b) the relevant date for the QIP;

- the explanatory statement to the notice to the shareholders for convening the general meeting must disclose, among other things, the particulars of the issue including the date of passing the board resolution, the kind of securities being offered and the price at which they are offered, amount which the company intends to raise by way of such securities and the material terms of raising such securities, proposed issue schedule, the purpose or objects of offer, the contribution made by the promoter or directors either as part of the offer or separately in furtherance of the objects, and the basis or justification for the price (including premium, if any) at which the offer or invitation is being made;

- under Regulation 172(1)(b) of the SEBI ICDR Regulations, the equity shares of the same class of such Company, which are proposed to be allotted through the QIP, are listed on a recognised stock exchange in India having nation-wide trading terminals for a period of at least one year prior to the date of issuance of notice to its shareholders for convening the meeting to seek approval of the shareholders for the above-mentioned special resolution;

- invitation to apply in the QIP must be made through a private placement offer-cum-application form serially numbered and addressed specifically to the Eligible QIBs to whom the QIP is made either in writing or in electronic mode, within 30 days of recording the name of such person in accordance with applicable law; the

Company shall have completed allotments with respect to any earlier offer or invitation made by the Company or shall have withdrawn or abandoned such invitation or offer made by the Company, except as permitted under the Companies Act;

- the Company shall not make any subsequent QIP until the expiry of two weeks from the date of the previous QIP;

- an offer to Eligible QIBs will not be subject to a limit of 200 persons. Prior to circulating the private placement offer-cum-application (i.e., this Preliminary Placement Document), the Company shall prepare and record a list of Eligible QIBs to whom the Issue will be made. The QIP must be made only to such Eligible QIBs whose names are recorded by the Company prior to the invitation to subscribe;

- the offering of securities by issue of public advertisements or utilisation of any media, marketing or distribution channels or agents to inform the public about the QIP is prohibited. In accordance with the SEBI ICDR Regulations, securities will be issued, and allotment shall be made only in dematerialized form to the allottees; and

- the Promoter and Directors of the Company are not Fugitive Economic Offenders.

At least 10% of the equity shares issued to Eligible QIBs shall be available for Allocation to Mutual Funds, provided that, if this portion, or any part thereof to be allotted to Mutual Funds remains unsubscribed, it may be allotted to other Eligible QIBs.

Bidders are not allowed to withdraw or revise downwards their Bids after the Bid/ Issue Closing Date.

Additionally, there is a minimum pricing requirement under the SEBI ICDR Regulations. The floor price of the equity shares issued under the QIP shall not be less than the average of the weekly high and low of the closing prices of the Company's equity shares of the same class quoted on the stock exchanges during the two weeks preceding the relevant date as calculated in accordance with Chapter VI of the SEBI ICDR Regulations. However, a discount of not more than 5% of the floor price is permitted in accordance with the provisions of the SEBI ICDR Regulations. Our Board through its resolution dated September 16, 2021 and our Shareholders through a special resolution on October 19, 2021, have authorised our Board to decide the quantum of discount up to 5% of the Floor Price at the time of determination of the Issue Price.

The "relevant date" mentioned above in case of allotment of equity shares, refers to the date of the meeting in which the board of directors or the committee of directors duly authorised by the board of the Company decides to open the proposed issue and "stock exchange" means any of the recognised stock exchanges in India on which the equity shares of the Company of the same class are listed and on which the highest trading volume in such shares has been recorded during the two weeks immediately preceding the relevant date.

The securities must be allotted within 365 days from the date of the shareholders' resolution approving the QIP and also within 60 days from the date of receipt of subscription money from the relevant Eligible QIBs.

The Equity Shares issued pursuant to the Issue must be issued on the basis of this Preliminary Placement Document and the Placement Document that shall contain all material information including the information specified in Schedule VII of the SEBI ICDR Regulations and the requirements prescribed under PAS Rules and Form PAS-4. This Preliminary Placement Document and the Placement Document are private documents provided to only select Eligible QIBs through serially numbered copies and are required to be placed on the website of the concerned Stock Exchanges and of our Company with a disclaimer to the effect that it is in connection with an issue to Eligible QIBs and no offer is being made to the public or to any other category of investors. Please note that if you do not receive a serially numbered copy of this Preliminary Placement Document addressed to you, you may not rely on this Preliminary Placement Document or Placement Document uploaded on the website of the Stock Exchanges or our Company for making an application to subscribe to Equity Shares pursuant to the Issue.

The minimum number of allottees for each QIP shall not be less than:

- two, where the issue size is less than or equal to ₹25,000 lakhs; and

- five, where the issue size is greater than ₹25,000 lakhs.

No single Allottee shall be Allotted more than 50% of the Issue Size.
Eligible QIBs that belong to the same group or that are under common control shall be deemed to be a single Allottee for the purpose of the Issue. For details of what constitutes "same group" or "common control", see "*Bid Process – Application Form*" on page 188.

Equity Shares being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of a recognised stock exchange.

We have applied for and received the in-principle approval of the Stock Exchanges under Regulation 28(1)(a) of the SEBI Listing Regulations for listing of the Equity Shares to be issued pursuant to the Issue on the Stock Exchanges. We have filed a copy of this Preliminary Placement Document and will file a copy of the Placement Document with the Stock Exchanges.

We shall also make the requisite filings with the RoC within the stipulated period as required under the Companies Act and the PAS Rules.

The Issue has been authorised and approved by our Board on September 16, 2021 and our Shareholders through VC / OAVM facility on October 19, 2021.

Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. VCFs and AIFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and, unless so registered, may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S .state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act and referred to in this Preliminary Placement Document as "U.S. QIBs", which, for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Placement Document as "QIBs") pursuant to Section 4(a)(2) of the U.S. Securities Act or another available exemption from registration under the U.S. Securities Act, and (b) outside the United States in offshore transactions as defined, and in reliance on, Regulations S and the applicable laws of the jurisdictions where those offers and sales are made.

The Equity Shares issued pursuant to this Issue have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Issue Procedure

1. On the Issue Opening Date, our Company in consultation with the BRLM shall circulate serially numbered copies of this Preliminary Placement Document and the serially numbered Application Form, either in electronic or physical form to Eligible QIBs and the Application Form will be specifically addressed to such Eligible QIBs. In terms of Section 42(3) of the Companies Act, our Company shall maintain complete records of such Eligible QIBs in the form and manner prescribed under the PAS Rules, to whom this Preliminary Placement Document and the serially numbered Application Form have been dispatched or circulated, as the case may be. Our Company will make the requisite filings with RoC within the stipulated time period as required under the Companies Act.

2. **The list of QIBs to whom the Application Form is delivered shall be determined by our Company in consultation with the BRLM. Unless a serially numbered Preliminary Placement Document along with the serially numbered Application Form, which includes the details of the bank account wherein the Bid Amount is to be deposited, is addressed to a particular Eligible QIB, no invitation to subscribe shall be deemed to have been made to such Eligible QIB. Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person and any application that does not comply with this requirement shall be treated as invalid. The Application Form may be signed physically or digitally, if**

required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law. An Eligible QIB may submit an unsigned copy of the Application Form, as long as the Bid Amount is paid along with submission of the Application Form within the Bid/Issue Period. Once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Bid Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Bid/Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and this Application Form is unsigned, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so.

3. Eligible QIBs may submit an Application Form, including any revisions thereof, along with the Bid Amount transferred to the Escrow Account specified in the Application Form and a copy of the PAN card or PAN allotment letter and/or any other documents mentioned in the Application Form, during the Bid/ Issue Period to the BRLM.

4. Bidders will be required to indicate the following in the Application Form:

   - full official name of the Bidder to whom Equity Shares are to be Allotted, complete address, e-mail id, PAN details (if applicable), phone number and bank account details;

   - number of Equity Shares Bid for;

   - price at which they are agreeable to subscribe to the Equity Shares and the aggregate Bid Amount for the number of Equity Shares Bid for;

   - details of the beneficiary account maintained by the Depository Participant to which the Equity Shares should be credited pursuant to the Issue;

   - equity shares held by the Bidder in our Company prior to the Issue; and

   - it has agreed to certain other representations set forth in the Application Form and this Preliminary Placement Document.

   - A representation that it is outside the United States acquiring the Equity Shares in an "offshore transaction" as defined in, and in reliance on, Regulation S, and it has agreed to certain other representations set forth in this Preliminary Placement Document and in the Application Form.

   ***NOTE*: *Eligible FPIs are required to indicate their SEBI FPI registration number in the Application Form. The Bids made by the asset management companies or custodian of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made. Application by various schemes or funds of a Mutual Fund will be treated as one application from the Mutual Fund. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws.*

5. Bidders shall be required to make the entire payment of the Bid Amount for the Equity Shares Bid for, along with the Application Form, only through electronic transfer to the Escrow Account opened in the name of "*Saregama India Limited-QIP-Escrow Account*" with the Escrow Agent, within the Bid/Issue Period as specified in the Application Form sent to the respective Bidders. Please note that any payment of Bid Amount for the Equity Shares shall be made from the bank accounts of the relevant Bidders and our Company shall keep a record of the bank account from where such payment has been received. No payment shall be made in the Issue by the Bidders in cash. Bid Amount payable on Equity Shares to be held by joint holders shall be paid from the bank account of the person whose name appears first in the Application Form. Until Allotment, and the filing of return of Allotment by our Company with the RoC, or receipt of final listing and trading approvals from the Stock Exchanges, whichever is later, Bid Amount received for subscription of the Equity Shares shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised only for the purposes permitted under the Companies Act. Notwithstanding the above, in the event (a) any Bidder is not allocated Equity Shares in the Issue, (b) the number of Equity Shares Allotted to a Bidder is

lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, (c) the Bid Amount has been arrived at using an indicative price higher than the Issue Price, or (d) any Eligible QIB lowers or withdraws their Bid after submission of the Application Form but on or prior to the Issue Closing Date, the excess Bid Amount will be refunded to the same bank account from which it was remitted, in the form and manner set out in "– *Refunds*" on page 192.

6. Once a duly completed Application Form is submitted by a Bidder and the Bid Amount is transferred to the Escrow Account, such application constitutes an irrevocable offer and the Bid cannot be withdrawn or revised downwards after the Bid/ Issue Closing Date. In case of an upward revision before the Bid/ Issue Closing Date, an additional amount shall be required to be deposited towards the Bid Amount in the Escrow Account along with the submission of such revised Bid. The Bid/ Issue Closing Date shall be notified to the Stock Exchanges and the Eligible QIBs shall be deemed to have been given notice of such date after receipt of the Application Form.

7. Upon receipt of the duly completed Application Form, whether signed or not, and the Bid Amount in the Escrow Account, on or after the Bid/ Issue Closing Date, our Company shall, in consultation with BRLM determine the final terms, including the Issue Price of the Equity Shares to be issued pursuant to the Issue and Allocation. Upon such determination, the BRLM, on behalf of our Company, will send the serially numbered CAN and the Placement Document to the Successful Bidders. The dispatch of a CAN, and the Placement Document (when dispatched) to a Successful Bidder shall be deemed a valid, binding and irrevocable contract for the Successful Bidders to subscribe to the Equity Shares Allocated to such Successful Bidders at an aggregate price equivalent to the product of the Issue Price and Equity Shares Allocated to such Successful Bidders. The CAN shall contain details such as the number of Equity Shares Allocated to the Successful Bidders, Issue Price and the aggregate amount received towards the Equity Shares Allocated. In case of Bids being made on behalf of the Eligible QIB where the Application Form is unsigned, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so. The Issue Closing Date shall be notified to the Stock Exchanges and the Eligible QIBs shall be deemed to have been given notice of such date after receipt of the Application Form **Please note that the Allocation will be at the absolute discretion of our Company and shall be in consultation with the BRLM.**

8. Upon determination of the Issue Price and before Allotment of Equity Shares to the Successful Bidders, the BRLM, shall, on our behalf, send a serially numbered Placement Document either in electronic form or through physical delivery to each of the Successful Bidders who have been Allocated Equity Shares pursuant to dispatch of a serially numbered CAN.

9. Upon dispatch of the serially numbered Placement Document, our Company shall Allot Equity Shares as per the details in the CANs sent to the Successful Bidders. Our Company will inform the Stock Exchanges of the details of the Allotment.

10. After passing the resolution passed by the Board or its committee approving the Allotment and prior to crediting the Equity Shares into the beneficiary account of the Successful Bidders maintained by the Depository Participant, as specified in the records of the depositories or as indicated in their respective Application Form, our Company shall apply to the Stock Exchanges for listing approvals in respect of the Equity Shares Allotted pursuant to the Issue.

11. After receipt of the listing approvals of the Stock Exchanges, our Company shall credit the Equity Shares Allotted pursuant to this Issue into the beneficiary accounts of the respective Allottees.

12. Our Company will then apply for the final trading approvals from the Stock Exchanges.

13. The Equity Shares that would have been credited to the beneficiary account with the Depository Participant of the Successful Bidders shall be eligible for trading on the Stock Exchanges only upon the receipt of final trading and listing approvals from the Stock Exchanges.

14. As per applicable law, the Stock Exchanges will notify the final listing and trading approvals, which are ordinarily available on their websites, and our Company may communicate the receipt of the listing and trading approvals to those Eligible QIBs to whom the Equity Shares have been Allotted. Our Company and the BRLM shall not be responsible for any delay or non-receipt of the communication of the final trading and listing permissions from the Stock Exchanges or any loss arising from such delay or non-receipt. Investors

are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchanges or our Company.

Eligible QIBs

15. Only Eligible QIBs are eligible to invest in the Equity Shares pursuant to the Issue, provided that with respect to FPIs, only Eligible FPIs applying under Schedule II of the FEMA Non-Debt Rules will be considered as Eligible QIBs. FVCIs are not permitted to participate in the Issue. Currently, QIBs, who are eligible to participate in the Issue (not being excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations) and also as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations, are set forth below:

    - alternate investment funds registered with SEBI;
    - Eligible FPIs;
    - insurance companies registered with Insurance Regulatory and Development Authority of India;
    - insurance funds set up and managed by army, navy or air force of the Union of India;
    - insurance funds set up and managed by the Department of Posts, India;
    - multilateral and bilateral development financial institutions;
    - Mutual Funds registered with SEBI;
    - pension funds with minimum corpus of ₹ 2,500 lakhs;
    - provident funds with minimum corpus of ₹ 2,500 lakhs;
    - public financial institutions;
    - scheduled commercial banks;
    - state industrial development corporations;
    - the National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government published in the Gazette of India;
    - venture capital funds registered with SEBI; and
    - systemically important non-banking financial companies

Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. VCFs and AIFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.

ELIGIBLE FPIS ARE PERMITTED TO PARTICIPATE UNDER SCHEDULE II OF FEMA RULES IN THIS ISSUE. ELIGIBLE FPIS ARE PERMITTED TO PARTICIPATE IN THE ISSUE SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF THE FPIS DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. FVCI'S ARE NOT PERMITTED TO PARTICIPATE IN THIS ISSUE.

Other eligible non-resident QIBs shall participate in the Issue under Schedule I of the FEMA Rules.

In terms of the SEBI FPI Regulations, the Equity Shares issued to a single Eligible FPI or an investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than fifty per cent or common control) should not exceed 10% of post-Issue Equity Share capital of our Company. Further, in terms of the FEMA Rules, the total holding of each FPI or its investor group shall be below 10% of the total post issue paid-up Equity Share capital of our Company on a fully diluted basis. With effect from April 1, 2020, the aggregate limit for FPI investments is the sectoral cap applicable to our Company i.e., 100% on a fully diluted basis. Hence, Eligible FPIs may invest in such number of Equity Shares in the Issue such that the individual investment of the FPI in our Company does not exceed 10% of the post -Issue paid-up capital of our Company on a fully diluted basis.

In case the holding of an FPI including its investor group increases to 10% or more of the total post-Issue paid-up equity capital, on a fully diluted basis, the FPI including its investor group is required to divest the excess holding within five trading days from the date of settlement of the trades resulting in the breach. In the event that such divestment of excess holding is not done within the above prescribed time, the total investment made by such FPI together with its investor group will be re-classified as FDI as per procedure specified by SEBI and the FPI and its investor group will be prohibited from making any further portfolio investment in our Company under the SEBI FPI Regulations. However, in accordance with Regulation 22(4) of the SEBI FPI Regulations, the FPIs who are: (i) appropriately regulated public retail funds; (b) public retail funds where the majority is owned by appropriately regulated public retail fund on look through basis; or (c) public retail funds and investment managers of such foreign portfolio investors are appropriately regulated, the aggregation of the investment limits of such FPIs having common control, shall not be applicable.

As per the circular issued by SEBI on November 24, 2014, these investment restrictions shall also apply to subscribers of P- Notes. Two or more subscribers of P-Notes having a common beneficial owner shall be considered together as a single subscriber of the P-Note. In the event an investor has investments as an FPI and as a subscriber of P-Notes, these investment restrictions shall apply on the aggregate of the FPI and P-Note investments held in the underlying company.

Pursuant to the SEBI Circular dated April 5, 2018 (Circular No: IMD/FPIC/CIR/P/2018/61), our Company has appointed NSDL as the designated depository to monitor the level of FPI / NRI shareholding in our Company on a daily basis and once the aggregate foreign investment of a company reaches a cut-off point, which is 3% below the overall limit a red flag shall be activated. SEBI however, pursuant to its Circular dated May 17, 2018 (Circular No: SEBI/HO/IMD/FPIC/CIR/P/2018/81), directed that this system of monitoring foreign investment limits in Indian listed companies be made operational with effect from June 1, 2018. The depository is then required to inform the Stock Exchanges about the activation of the red flag. The stock exchanges are then required to issue the necessary circulars/ public notifications on their respective websites. Once a red flag is activated, the FPIs must trade cautiously, because in the event that there is a breach of the sectoral cap, the FPIs will be under an obligation to disinvest the excess holding within five trading days from the date of settlement of the trades.

Eligible FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. For a description of the restrictions applicable to the offer and sale of the Equity Shares in the Issue in certain jurisdictions, see "*Selling Restrictions*" on page 197.

Restriction on Allotment

Pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, no Allotment shall be made pursuant to the Issue, either directly or indirectly, to any Eligible QIB being a promoter, or any person related to, the promoter. QIBs, which have all or any of the following rights, shall be deemed to be persons related to the promoter:

- rights under a shareholders' agreement or voting agreement entered into with the promoter or members of the promoter group;
- veto rights; or
- a right to appoint any nominee director on the board of the Company.

Provided, however, that an Eligible QIB which does not hold any Equity Shares in our Company and which has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be related to the promoter.

Our Company, the BRLM and any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, advisors or affiliates shall not be liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement

Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not eventually result in triggering an open offer under the SEBI Takeover Regulations and ensure compliance with applicable laws.

A minimum of 10% of the Equity Shares offered in the Issue shall be Allotted to Mutual Funds. In case of undersubscription in such portion, such portion or part thereof may be Allotted to other Eligible QIBs.

Note: *Affiliates or associates of the BRLM who are Eligible QIBs may participate in the Issue in compliance with applicable laws.*

Bid Process

Application Form

Bidders shall only use the serially numbered Application Forms (which are addressed to them) supplied by our Company and/or the BRLM in either electronic form or by physical delivery for the purpose of making a Bid (including revision of a Bid) in terms of this Preliminary Placement Document and the Placement Document.

By making a Bid (including the revision thereof) for Equity Shares through Application Forms and pursuant to the terms of this Preliminary Placement Document, the Bidder will be deemed to have made all the following representations and warranties and the representations, warranties and agreements made under "*Notice to Investors*", "*Representations By Investors*" and "*Selling Restrictions*" on pages 2, 6 and 197, respectively:

1. Each Bidder confirms that it is a QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and is not excluded under Regulation 179(2)(b) of the SEBI ICDR Regulations, has a valid and existing registration under the applicable laws in India (as applicable) and is eligible to participate in this Issue;

2. Each Bidder confirms that it is not a Promoter and is not a person related to the Promoter, either directly or indirectly and its Application Form does not directly or indirectly represent the Promoter or members of the Promoter Group or persons related to the Promoter;

3. Each Bidder confirms that it has no rights under a shareholders' agreement or voting agreement with the Promoter or members of the Promoter Group, no veto rights or right to appoint any nominee director on the Board other than those acquired in the capacity of a lender not holding any Equity Shares which shall not be deemed to be a person related to the Promoter;

4. Each Bidder confirms that in the event it is resident outside India, it is an Eligible FPI, having a valid and existing registration with SEBI under the applicable laws in India or a multilateral or bilateral development financial institution, and is eligible to invest in India under applicable law, including the FEMA Rules, as amended, and any notifications, circulars or clarifications issued thereunder, and has not been prohibited by SEBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets and is not an FVCI;

5. Each Bidder acknowledges that it has no right to withdraw or revise its Bid downwards after the Bid / Issue Closing Date;

6. Each Bidder confirms that if Equity Shares are Allotted through this Issue, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than the floor of a recognised Stock Exchange;

7. Each Bidder confirms that the Bidder is eligible to Bid and hold Equity Shares so Allotted together with any Equity Shares held by it prior to the Issue, if any. Each Bidder further confirms that the holding of the Bidder, does not and shall not, exceed the level permissible as per any applicable regulations applicable to the Bidder;

8. Each Bidder confirms that its Bids would not eventually result in triggering an open offer under the SEBI Takeover Regulations;

9. The Bidder agrees that it will make payment of its Bid Amount along with submission of the Application Form within the Issue Period. Each Bidder agrees that once a duly filled Application Form is submitted by a Bidder, whether signed or not, and the Bid Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Bid/Issue Closing Date;

10. The Bidder agrees that although the Bid Amount is required to be paid by it along with the Application Form within the Issue Period in terms of provisions of the Companies Act, our Company reserves the right to Allocate and Allot Equity Shares pursuant to this Issue on a discretionary basis in consultation with the BRLM. The Bidder further acknowledges and agrees that the payment of Bid Amount does not guarantee Allocation and/or Allotment of Equity Shares Bid for in full or in part;

11. The Bidder acknowledges that in terms of the requirements of the Companies Act, upon Allocation, our Company will be required to disclose names as "proposed Allottees" and percentage of post-Issue shareholding of the proposed Allottees in the Placement Document and such QIB consents of such disclosure, if any Equity Shares are Allocated to it. However, the Bidder further acknowledges and agrees that disclosure of such details as "proposed Allottees" in the Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the BRLM;

12. The Bidder confirms that the number of Equity Shares Allotted to it pursuant to the Issue, together with other Allottees that belong to the same group or are under common control, shall not exceed 50% of the Issue. For the purposes of this representation:

    (a) QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and Independent Directors, amongst an Bidder, its subsidiary(ies) or holding company and any other Bidder; and

    (b) 'Control' shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the SEBI Takeover Regulations;

13. The Bidders acknowledge that no Allocation shall be made to them if the price at which they have Bid for in the Issue is lower than the Issue Price.

14. Each Bidder confirms that it shall not undertake any trade in the Equity Shares credited to its beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges.

15. Each Eligible FPI, confirms that it will participate in the Issue only under and in conformity with Schedule II of FEMA Rules. Further, each Eligible FPI acknowledges that Eligible FPIs may invest in such number of Equity Shares such that the individual investment of the Eligible FPI or its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than fifty per cent or common control) in our Company does not exceed 10% of the post-Issue paid-up capital of our Company on a fully diluted basis. The Bidder confirms that it, individually or together with its investor group, is not restricted from making further investments in our Company through the portfolio investment route, in terms of Regulation 22(3) of the SEBI FPI Regulations.

16. A representation that such Bidder is outside the United States, is acquiring the Equity Shares in an "offshore transaction" under Regulation S and is not an affiliate of the Company or the BRLM or a person acting on behalf of such an affiliate.

BIDDERS MUST PROVIDE THEIR NAME, COMPLETE ADDRESS, PHONE NUMBER, EMAIL ID, BANK ACCOUNT DETAILS, BENEFICIARY ACCOUNT DETAILS, PAN, DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. ELIGIBLE QIBs MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THEIR BENEFICIARY ACCOUNT IS HELD.

IF SO REQUIRED BY THE BRLM, THE ELIGIBLE QIBs SUBMITTING A BID, ALONG WITH THE APPLICATION FORM, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO THE BRLM TO EVIDENCE THEIR STATUS AS A "QIB" AS DEFINED HEREINABOVE.
IF SO REQUIRED BY THE BRLM, ESCROW AGENT OR ANY STATUTORY OR REGULATORY AUTHORITY IN THIS REGARD, INCLUDING AFTER BID/ISSUE CLOSING DATE, THE ELIGIBLE QIBs SUBMITTING A BID AND/OR BEING ALLOTTED EQUITY SHARES IN THE ISSUE, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE APPLICABLE KNOW YOUR CUSTOMER (KYC) NORMS.

Demographic details such as address and bank account will be obtained from the Depositories as per the Depository Participant account details provided in the Application Form. However, for the purposes of refund of all or part of the Bid Amount submitted by the Bidder, the bank details as mentioned in the Application Form from which the Bid Amount shall be remitted for the Equity Shares applied for in the Issue, will be considered.

The submission of an Application Form and payment of the Bid Amount pursuant to the Application Form by a Bidder shall be deemed a valid, binding and irrevocable offer for such Bidder and becomes a binding contract on a Successful Bidder upon issuance of the CAN and the Placement Document (when dispatched) by our Company (by itself or through the BRLM) in favour of the Successful Bidder.

Submission of Application Form

All Application Forms must be duly completed with information including the number of Equity Shares applied for along with proof of payment and a copy of the PAN card or PAN allotment letter (as applicable). The Bid Amount shall be deposited in the Escrow Account as is specified in the Application Form and the Application Form shall be submitted to the BRLM either through electronic form or through physical delivery at the following address:

Name	Address	Contact Person	Website and Email	Phone (Telephone)
JM Financial Limited	7th Floor, Cnergy Appasaheb Marathe Marg Prabhadevi Mumbai - 400 025 Maharashtra, India	Prachee Dhuri	Website: www.jmfl.com Email: saregama.qip@jmfl.com	+91 22 6630 3030/ +91 22 6630 3262

The BRLM shall not be required to provide any written acknowledgement of the receipt of the Application Form and the Bid Amount.

All Application Forms shall be duly completed and Bidders Bidding in the Issue shall pay the entire Bid Amount along with the submission of the Application Form, within the Issue Period.

Bank account for Payment of Bid Amount

Our Company has opened the Escrow Account in the name of "*Saregama India Limited-QIP-Escrow Account*" with the Escrow Agent, in terms of the Escrow Agreement. Each Bidder will be required to deposit the Bid Amount payable for the Equity Shares Bid by it along with the submission of the Application Form and during the Bidding Period. Bidders can make payment of the Bid Amount only through electronic transfer of funds from their own bank account.

Note: Payments are to be made only through electronic fund transfer. Payments made through cash, demand draft or cheques are liable to be rejected. Further, if the payment is not made favouring the Escrow Account, the Application Form is liable to be rejected.

Pending Allotment, our Company undertakes to utilise the amount deposited in "*Saregama India Limited-QIP-Escrow Account*" only for the purposes of (i) adjustment against Allotment of Equity Shares in the Issue; or (ii) repayment of Bid Amount if our Company is not able to Allot Equity Shares in the Issue.

Pricing and Allocation

There is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares quoted on the Stock Exchanges

during the two weeks preceding the Relevant Date. However, our Company may offer a discount of not more than 5% of the Floor Price in accordance with the approval of our Shareholders, accorded through VC / OAVM facility on October 19, 2021 and in terms of Regulation 176(1) of the SEBI ICDR Regulations.
Our Company, in consultation with the BRLM, shall determine the Issue Price, which shall be at or above the Floor Price.

The "Relevant Date" referred to above will be the date of the meeting in which the Board (or a duly constituted committee thereof) decides to open the Issue and "stock exchange" means any of the recognized stock exchanges in India on which the Equity Shares are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date. After finalisation of the Issue Price, our Company shall update this Preliminary Placement Document with the Issue details and file the Placement Document with the Stock Exchanges.

Build-up of the Book

The Bidders shall submit their Bids (including any revision thereof) through the Application Forms within the Issue Period to the BRLM. Such Bids cannot be withdrawn or revised downwards after the Bid/ Issue Closing Date. The book shall be maintained by the BRLM.

Method of Allocation

Our Company shall determine the Allocation in consultation with the BRLM on a discretionary basis and in compliance with Chapter VI of the SEBI ICDR Regulations.

Application Forms received from the Bidders at or above the Issue Price shall be grouped together to determine the total demand. The Allocation to all such Bidders will be made at the Issue Price. Allocation to Mutual Funds for up to a minimum of 10% of the Issue Size shall be undertaken subject to valid Bids being received at or above the Issue Price.

In case of cancellations or default by the Bidders, our Company in consultation with BRLM has the right to reallocate the Equity Shares at the Issue Price among existing or new Bidders at their sole and absolute discretion subject to the applicable laws.

THE DECISION OF OUR COMPANY IN CONSULTATION WITH THE BRLM IN RESPECT OF ALLOCATION SHALL BE FINAL AND BINDING ON ALL ELIGIBLE QIBs. ELIGIBLE QIBs MAY NOTE THAT ALLOCATION OF EQUITY SHARES IS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR COMPANY IN CONSULTATION WITH THE BRLM AND ELIGIBLE QIBs MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AND PAID THE ENTIRE BID AMOUNT AT OR ABOVE THE ISSUE PRICE WITHIN THE ISSUE PERIOD. NEITHER OUR COMPANY NOR THE BRLM ARE OBLIGED TO ASSIGN ANY REASON FOR ANY NON-ALLOCATION.

CAN

Based on receipt of the serially numbered Application Forms and Bid Amount, our Company, in consultation with the BRLM, in their sole and absolute discretion, shall decide the Successful Bidders. Our Company will dispatch a serially numbered CAN to all the Bidders pursuant to which the details of the Equity Shares Allocated to them (if any), the Issue Price and the Bid Amount for the Equity Shares Allocated to them shall be notified to such Successful Bidders. The CAN shall also include details of amount to be refunded, if any, to such Bidders. Additionally, the CAN will include the probable Designated Date, being the date of credit of the Equity Shares to the Bidders' account, as applicable to the respective Bidder.

The Successful Bidders would also be sent a serially numbered Placement Document (which will include the names of the proposed Allottees along with the percentage of their post-Issue Shareholding in our Company) either in electronic form or by physical delivery.

The dispatch of the serially numbered CAN and the Placement Document (when dispatched), to the Eligible QIBs shall be deemed a valid, binding and irrevocable contract for the Eligible QIBs to subscribe to the Equity Shares Allocated to such Successful Bidders. Subsequently, our Board will approve the Allotment of the Equity Shares to the Allottees in consultation with the BRLM.

Eligible QIBs are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to the Issue.

By submitting the Application Form, an Eligible QIB would have deemed to have made the representations and warranties as specified in section "*Notice to Investors*" on page 2 and further that such Eligible QIB shall not undertake any trade on the Equity Shares credited to its Depository Participant account pursuant to the Issue until such time as the final listing and trading approval is issued by Stock Exchanges.

Designated Date and Allotment of Equity Shares

1. Subject to the satisfaction of the terms and conditions of the Placement Agreement, our Company will ensure that the Allotment of the Equity Shares is completed by the Designated Date provided in the CAN.

2. In accordance with the SEBI ICDR Regulations, Equity Shares will be issued and Allotment shall be made only in the dematerialized form to the Allottees. Allottees will have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act. However, transfer of securities of listed companies in physical form is not permitted pursuant to Regulation 40 of the SEBI Listing Regulations.

3. Our Company, at its sole discretion, reserves the right to cancel the Issue at any time up to Allotment without assigning any reasons whatsoever.

4. Following the Allotment of the Equity Shares pursuant to the Issue, our Company shall apply to the Stock Exchanges for listing approvals and post receipt of the listing approvals from the Stock Exchanges, our Company shall credit the Equity Shares into the beneficiary accounts of the Eligible QIBs.

5. Following the credit of Equity Shares into the Successful Bidders' beneficiary accounts with the Depository Participants, our Company will apply for the final listing and trading approvals from the Stock Exchanges.

6. The monies lying to the credit of the Escrow Account shall not be released until the final listing and trading approvals for the listing and trading of the Equity Shares issued pursuant to this Issue are received by our Company from the Stock Exchanges and our Company files the return of Allotment in connection with the Issue with the RoC within the prescribed timelines under the Companies Act.

7. After finalization of the Issue Price, our Company shall update this Preliminary Placement Document with the Issue details and file it with the Stock Exchanges as the Placement Document, which will include names of the proposed Allottees and the percentage of their post-Issue shareholding in the Company. Pursuant to a circular dated March 5, 2010 issued by the SEBI, Stock Exchanges are required to make available on their websites the details of those Allottees in Issue who have been allotted more than 5% of the Equity Shares offered in the Issue, namely, names of the Allottees, and number of Equity Shares Allotted to each of them, pre and post Issue shareholding pattern of our Company along with the Placement Document.

8. Our Company shall make the requisite filings with the RoC within the stipulated period as required under the Companies Act, 2013 and the PAS Rules. Further, as required in terms of the PAS Rules, names of the proposed Allottees, and the percentage of their post-Issue shareholding in our Company is required to be disclosed in the Placement Document.

Refunds

In the event that the number of Equity Shares Allocated to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, or the Bidder has deposited the Bid Amount arrived at using a price higher than the Issue Price or Equity Shares are not Allocated to a Bidder for any reasons or the Issue is cancelled prior to Allocation, or a Bidder lowers or withdraws the Bid prior to the Bid/ Issue Closing Date, any excess Bid Amount paid by such Bidder will be refunded to the same bank account from which Bid Amount was remitted as set out in the Application Form. The Refund Amount will be transferred to the relevant Bidders within two Working Days from the issuance of the CAN.

In the event that we are unable to issue and Allot the Equity Shares offered in the Issue or if the Issue is cancelled within 60 days from the date of receipt of application monies, our Company shall repay the application monies within 15 days from the expiry of 60 days, failing which our Company shall repay that monies with interest at the rate of 12% p.a. from expiry of the sixtieth day. The application monies to be refunded by us shall be refunded to the same bank account from which application monies was remitted by the Bidders, as mentioned in the Application Form.

In accordance with the SEBI ICDR Regulations, Equity Shares will be issued and Allotment shall be made only in dematerialised form to the Allottees. Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act, the Depositories Act and other applicable laws.

We, at our sole discretion, reserve the right to cancel the Issue at any time up to Allotment without assigning any reason whatsoever.

Following the Allotment and credit of Equity Shares into the Eligible QIBs' Depository Participant accounts, we will apply for final trading and listing approvals from the Stock Exchanges. In the event of any delay in the Allotment or credit of Equity Shares, or receipt of trading or listing approvals or cancellation of the Issue, no interest or penalty would be payable by us.

Release of Funds to our Company

The monies lying to the credit of the Escrow Account shall not be released until the final listing and trading approvals of the Stock Exchanges for the listing and trading of the Equity Shares issued pursuant to this Issue are received by our Company and our Company files the return of Allotment in connection with the Issue with the RoC, whichever is later.

Other Instructions

Submission of Documents

A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted as soon as practicable.

Permanent Account Number or PAN

Each Bidder should mention its PAN (except Bids from any category of Bidders, which may be exempted from specifying their PAN for transacting in the securities market) allotted under the IT Act. A copy of PAN card is required to be submitted with the Application Form. Further, the Application Forms without this information will be considered incomplete and are liable to be rejected. It is to be specifically noted that applicants should not submit the GIR number instead of the PAN as the Application Form is liable to be rejected on this ground.

Bank account details

Each Bidder shall mention the details of the bank account from which the payment of Bid Amount has been made along with confirmation that such payment has been made from such account.

Right to Reject Applications

Our Company, in consultation with the BRLM, may reject Bids, in part or in full, without assigning any reason whatsoever. The decision of our Company in consultation with the BRLM in relation to the rejection of Bids shall be final and binding. In the event the Bid is rejected by our Company, the Bid Amount paid by the Bidder shall be refunded to the same bank account from which the Bid Amount was remitted by such Bidder as set out in the Application Form. For details, see "- *Bid Process*" and "- *Refunds*" on pages 188 and 192 respectively.

Equity Shares in dematerialised form with NSDL or CDSL

The Allotment of the Equity Shares in this Issue shall be only in dematerialised form (i.e., not in physical certificates but be fungible and be represented by the statement issued through the electronic mode).

An Eligible QIB applying for Equity Shares to be issued pursuant to the Issue must have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the Bid. Equity Shares Allotted to a Successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Successful Bidder, as indicated in the Application Form.

Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges have electronic connectivity with NSDL and CDSL.

The trading of the Equity Shares to be issued pursuant to the Issue would be in dematerialised form only for all QIBs in the demat segment of the respective Stock Exchanges.

Our Company and the BRLM shall not be responsible or liable for the delay in the credit of Equity Shares to be issued pursuant to the Issue due to errors in the Application Form or otherwise on the part of the Bidders.

PLACEMENT

Placement Agreement

The BRLM has entered into the Placement Agreement with our Company, pursuant to which the BRLM has agreed, subject to certain conditions, to manage this Issue and to act as placement agents in connection with the proposed Issue and procure subscription for the Equity Shares to be issued pursuant to the Issue on a reasonable efforts basis.

The Equity Shares will be placed with the QIBs pursuant to this Issue under Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act and the rules made thereunder. The Placement Agreement contains customary representations and warranties, as well as indemnities from our Company and is subject to satisfaction of certain conditions and termination in accordance with the terms contained therein.

Applications shall be made to list the Equity Shares issued pursuant to this Issue and admit them to trading on the Stock Exchanges. No assurance can be given as to the liquidity or sustainability of the trading market for such Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares.

This Preliminary Placement Document has not been, and will not be, registered as a prospectus with the Registrar of Companies, and no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than Eligible QIBs.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act and referred to in this Preliminary Placement Document as "U.S. QIBs") pursuant to Section 4(a)(2) of the U.S. Securities Act or another available exemption from registration under the U.S. Securities Act, and (b) outside the United States in "offshore transactions" as defined in, and in reliance on, Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where those offers and sales are made.

Relationship with the Book Running Lead Manager

In connection with the Issue, the Book Running Lead Manager or its affiliates may, for their own account, subscribe to the Equity Shares or enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares to be issued pursuant to the Issue at the same time as the offer and subscription or sale of the Equity Shares, or in secondary market transactions. As a result of such transactions, the Book Running Lead Manager may hold long or short positions in such Equity Shares. These transactions may comprise a substantial portion of the Issue and no specific disclosure will be made of such positions. Affiliates of the Book Running Lead Manager may purchase or subscribe to the Equity Shares or be Allotted Equity Shares for proprietary purposes and not with a view to distribute or in connection with the issuance of P-Notes. For further details, see the section "*Off-Shore Derivative Instruments*" on page 13.

From time to time, the Book Running Lead Manager, and its affiliates and associates may have engaged in or may in the future engage in transactions with and perform services including but not limited to investment banking, advisory, commercial banking, trading services for our Company, our Subsidiary, group companies, affiliates and the Shareholders, as well as to their respective associates and affiliates, pursuant to which fees and commissions have been paid or will be paid to the Book Running Lead Manager and its affiliates and associates.

Lock up

The Company undertakes that it will not for a period of 120 days from the date of Allotment under the Issue, without the prior written consent of the Book Running Lead Manager, directly or indirectly, (a) purchase, lend, sell, offer, issue, contract to issue, issue or offer any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, any Equity Shares or any securities convertible into or exercisable for Equity Shares (including, without limitation, securities convertible into or exercisable or exchangeable for Equity Shares which may be deemed to be beneficially owned), or file any registration statement under the U.S. Securities Act, with respect to any of the foregoing; or (b) enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, any of the economic consequences associated with the ownership of any of the Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares (regardless of whether any of the transactions described in clause (a) or (b) is to be settled by the delivery of Equity Shares or such other securities, in cash or otherwise), or (c) deposit Equity Shares with any other depositary in connection with a depositary receipt facility, (d) enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue, offer, sale or deposit of the Equity Shares in any depository receipt facility, or (e) publicly announce any intention to enter into any transaction falling within (a) to (d) above or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue or offer or deposit of Equity Shares in any depositary receipt facility or publicly announce any intention to enter into any transaction falling within (a) to (d) above. Provided that, the foregoing restriction shall not apply to the amount unsubscribed against the Issue Size.

Lock-up by Promoter

The Company acknowledges that the Promoter and each member of the Promoter Group has undertaken that it will not for a period of 90 days from the date of Allotment under the Issue, without the prior written consent of the Book Running Lead Manager, directly or indirectly: (a) sell, lend, contract to sell, or contract to sell, grant any option, lend or otherwise transfer or dispose of, directly or indirectly, any Equity Shares, or any securities convertible into or exercisable or exchangeable for Equity Shares or publicly announce an intention with respect to any of the foregoing; (b) enter into any swap or other agreement that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares; (c) sell, lend, contract to sell, or contract to sell, grant any option, lend or otherwise transfer or dispose of, directly or indirectly, any shares or interest in an entity which holds any Equity Shares; or (d) publicly announce any intention to enter into any transaction whether any such transaction described in (a), (b) or (c) above is to be settled by delivery of Equity Shares, or such other securities, in cash or otherwise, or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue or offer or deposit of Equity Shares in any depositary receipt facility or publicly announce any intention to enter into any transaction falling within (a) to (c) above. Provided that, the foregoing restriction shall not apply in case of purchase of Equity Shares.

SELLING RESTRICTIONS

The distribution of this Preliminary Placement Document and the offer, sale or delivery of the Equity Shares in this Issue is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Preliminary Placement Document are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions. This Preliminary Placement Document may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.

This Issue is being made only to Eligible QIBs through a QIP, in reliance upon Chapter VI of the SEBI ICDR Regulations and the Companies Act. Each purchaser of the Equity Shares in this Issue will be deemed to have made acknowledgments and agreements as described under "Notice to Investors" and "Representations by Investors" on pages 2 and 6, respectively.

General

No action has been taken or will be taken that would permit a public offering of the Equity Shares to occur in any jurisdiction other than India, or the possession, circulation or distribution of this Preliminary Placement Document or any other material relating to our Company or the Equity Shares in any jurisdiction where action for such purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Preliminary Placement Document nor any offering materials or advertisements in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. The Issue will be made in compliance with the applicable SEBI ICDR Regulations, Section 42 of the Companies Act, 2013 read with Rule 14 of the PAS Rules and other applicable provisions of the Companies Act, 2013 and the rules made thereunder.

Republic of India

This Preliminary Placement Document may not be distributed directly or indirectly in India or to residents of India and any Equity Shares may not be offered or sold directly or indirectly in India to, or for the account or benefit of, any resident of India except as permitted by applicable Indian laws and regulations, under which an offer is strictly on a private and confidential basis and is limited to Eligible QIBs and is not an offer to the public. This Preliminary Placement Document has not been and will not be filed as a prospectus with the RoC and will not be circulated or distributed to the public in India or any other jurisdiction and will not constitute a public offer in India or any other jurisdiction.

Australia

This document does not constitute a prospectus or other disclosure document under the Corporations Act 2001 (Cth) ("**Australian Corporations Act**") and does not purport to include the information required of a disclosure document under the Australian Corporations Act. This document has not been lodged with the Australian Securities and Investments Commission ("**ASIC**") and no steps have been taken to lodge it as such with ASIC. Any offer in Australia of the Equity Shares under this document may only be made to persons who are "sophisticated investors" (within the meaning of section 708(8) of the Australian Corporations Act), to "professional investors" (within the meaning of section 708(11) of the Australian Corporations Act) or otherwise pursuant to one or more exemptions under section 708 of the Australian Corporations Act so that it is lawful to offer the Equity Shares in Australia without disclosure to investors under Part 6D.2 of the Australian Corporations Act.

If you are acting on behalf of, or acting as agent or nominee for, an Australian resident and you are a recipient of this Preliminary Placement Document, and any offers made under this Preliminary Placement Document, you represent to the Company and the Book Running Lead Manager that you will not provide this Preliminary Placement Document or communicate any offers made under this Preliminary Placement Document to, or make any applications or receive any offers for the Equity Shares for, any Australian residents unless they are a "sophisticated investor" or a "professional investor" as defined by section 708 of the Australian Corporations Act.

Any offer of the Equity Shares for on-sale that is received in Australia within 12 months after their issue by our Company, or within 12 months after their sale by a selling security holder (or the Book Running Lead Manager) under the Issue, as applicable, is likely to need prospectus disclosure to investors under Part 6D.2 of the Australian Corporations Act, unless such offer for on-sale in Australia is conducted in reliance on a prospectus disclosure exemption under section 708 of the Australian Corporations Act or otherwise. Any persons acquiring the Equity Shares should observe such Australian on-sale restrictions.

Bahrain

All applications for investment should be received, and any allotments should be made, in each case from outside the Kingdom of Bahrain. This Preliminary Placement Document has been prepared for private information purposes of intended investors only who will be high net worth individuals and institutions. The Issuer has not made and will not make any invitation to the public in the Kingdom of Bahrain and this Preliminary Placement Document will not be issued, passed to, or made available to the public generally. The Bahrain Monetary Agency has not reviewed, nor has it approved, this Preliminary Placement Document or the marketing of Equity Shares in the Kingdom of Bahrain. Accordingly, Equity Shares may not be offered or sold in Bahrain or to residents thereof except as permitted by Bahrain law.

British Virgin Islands

The Equity Shares are not being, and may not be offered to the public or to any person in the British Virgin Islands for purchase or subscription by or on behalf of the Issuer. The Equity Shares may be offered to companies incorporated under the BVI Business Companies Act, 2004 (British Virgin Islands), but only where the offer will be made to, and received by, the relevant BVI company entirely outside of the British Virgin Islands.

Canada

The Equity Shares will not be qualified for sale under the securities laws of any province or territory of Canada. The Equity Shares may only be offered, sold or distributed, directly or indirectly, in or to or for the benefit of a resident of, the Provinces of British Columbia, Alberta, Ontario or Québec, which is purchasing, or deemed to be purchasing, as a principal that is: (i) an accredited investor, as defined in National Instrument 45-106 Prospectus Exemptions ("**NI 45-106**") or subsection 73.3(1) of the Securities Act (Ontario), and (ii) a permitted client, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations and only through a dealer duly registered under the applicable securities laws of such provinces in circumstances where no exemption from the applicable registered dealer requirement is available. Any resale of the Equity Shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

This Preliminary Placement Document or any other offering material in connection with the offer of the Equity Shares has not been and will not be distributed or delivered in Canada other than to a resident of the Provinces of British Columbia, Alberta, Ontario or Québec in compliance with applicable securities laws. Prospective Canadian investors are advised that the information contained within this Preliminary Placement Document in relation to the Equity Shares has not been prepared with regard to matters that may be of particular concern to Canadian investors. Accordingly, prospective Canadian investors should consult with their own legal, financial and tax advisers concerning the information contained within this Preliminary Placement Document and any other offering material relating to the Equity Shares and as to the suitability of an investment in the Equity Shares in their particular circumstances.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Preliminary Placement Document or any other offering material constituting an "offering memorandum" under applicable Canadian securities laws (including any amendment to any such documents) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts ("**NI 33-105**"), the parties to this offering, including the Issuer and the Book Running Lead Manager, as the case may be, are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with an offering of the Equity Shares.

Upon receipt of this Preliminary Placement Document, each Canadian purchaser hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the Equity Shares described herein (including for greater certainty any purchase confirmation or any notice) be drawn up in the

English language only. *Par la réception de la document d'offre, chaque acheteur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.*

Cayman Islands

No offer or invitation to subscribe for Equity Shares may be made to the public in the Cayman Islands to subscribe for any of the Equity Shares but an invitation or offer may be made to sophisticated persons (as defined in the Cayman Islands Securities Investment Business Law (the "**SIBL**"), high net worth persons (as defined in the SIBL) or otherwise in accordance with the SIBL. This Preliminary Placement Document does not constitute an invitation or offer to the public in the Cayman Islands of the Equity Shares, whether by way of sale or subscription. The Equity Shares are not being offered or sold, and will not be offered or sold, directly or indirectly, to the public in the Cayman Islands.

People's Republic of China

The Preliminary Placement Document and this Placement Document does not constitute a public offer of the Equity Shares, whether by way of sale or subscription, in the People's Republic of China (the "**PRC**"). The Equity Shares are not being offered and may not be offered or sold, directly or indirectly, in the PRC to or for the benefit of, legal or natural persons of the PRC. According to legal and regulatory requirements of the PRC, the Equity Shares may, subject to the laws and regulations of the relevant jurisdictions, only be offered or sold to non-PRC natural or legal persons in any country other than the PRC.

European Economic Area

In relation to each Member State of the European Economic Area (each a "**Member State**"), no Equity Shares have been offered or will be offered pursuant to the Issue to the public in that Member State prior to the publication of a prospectus in relation to the Equity Shares which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, all in accordance with the Prospectus Regulation), except that offers of Equity Shares may be made to the public in that Member State at any time under the following exemptions under the Prospectus Regulation:

- to any legal entity which is a qualified investor as defined under the Prospectus Regulation;

- to fewer than 150 natural or legal persons (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of Book Running Lead Manager for any such offer; or

- in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Equity Shares shall require the Issuer or the Book Running Lead Manager to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation and each person who initially acquires any Equity Shares or to whom any offer is made will be deemed to have represented, acknowledged and agreed to and with each of the Book Running Lead Manager and the Company that it is a "qualified investor" within the meaning of Article 2(e) of the Prospectus Regulation.

In the case of any Equity Shares being offered to a financial intermediary, as that term is used in the Prospectus Regulation, each such financial intermediary will also be deemed to have represented, acknowledged and agreed that the Equity Shares subscribed for or acquired by it in the Issue have not been subscribed for or acquired on a non-discretionary basis on behalf of, nor have they been subscribed for or acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any Equity Shares to the public other than their offer or resale in a Relevant Member State to qualified investors (as so defined) or in circumstances in which the prior consent of the Book Running Lead Manager have been obtained to each such proposed offer or resale. Our Company, its directors, the Book Running Lead Manager and their respective affiliates, and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement.

For the purposes of this provision, the expression an "offer to the public" in relation to any Equity Shares in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Equity Shares, and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129.

Hong Kong

The contents of this Preliminary Placement Document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer of the Equity Shares. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

This Preliminary Placement Document has not been, and will not be, registered as a prospectus (as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) (the "**Companies (WUMP) Ordinance**") in Hong Kong. This Preliminary Placement Document has not been reviewed or approved for publication or distribution in Hong Kong by the Securities and Future Commission of Hong Kong pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**"). Accordingly, the Equity Shares may not be offered or sold in Hong Kong by means of this document or otherwise, and this document or any abridged version of this document must not be issued, circulated or distributed in Hong Kong, other than (a) to "professional investors" as defined in the SFO and any subsidiary legislation made under the SFO or (b) in other circumstances which do not result in this document or any other document being a "prospectus" as defined in the Companies (WUMP) Ordinance. In addition, no advertisement, invitation or document relating to the Equity Shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, any member of the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to Equity Shares which are or are intended to be disposed of only to "professional investors" as defined in the SFO or any subsidiary legislation made under the SFO.

Japan

The Equity Shares have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law. No. 25 of 1948 as amended) (the "**FIEA**") and disclosure under the FIEA has not been and will not be made with respect to the Equity Shares. No Equity Shares have, directly or indirectly, been offered or sold, and may not, directly or indirectly, be offered or sold in Japan or to, or for the benefit of, any resident of Japan as defined in the first sentence of Article 6, Paragraph 1, Item 5 of the Foreign Exchange and Foreign Trade Law of Japan ("**Japanese Resident**") or to others for re-offering or re-sale, directly or indirectly in Japan or to, or for the benefit of, any Japanese Resident except (i) pursuant to an exemption from the registration requirements of the FIEA and (ii) in compliance with any other relevant laws, regulations and governmental guidelines of Japan.

If an offeree does not fall under a "qualified institutional investor" (*tekikaku kikan toshika*), as defined in Article 10, Paragraph 1 of the Cabinet Office Ordinance Concerning Definition Provided in Article 2 of the Financial Instruments and Exchange Act (the "**Qualified Institutional Investor**"), the Equity Shares will be offered in Japan by a private placement to small number of investors (*shoninzu muke kanyu*), as provided under Article 23-13, Paragraph 4 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made.

If an offeree falls under the Qualified Institutional Investor, the Equity Shares will be offered in Japan by a private placement to the Qualified Institutional Investors (*tekikaku kikan toshikamuke kanyu*), as provided under Article 23-13, Paragraph 1 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made. To subscribe the Equity Shares (the "**QII Equity Shares**") such offeree will be required to agree that it will be prohibited from selling, assigning, pledging or otherwise transferring the QII Equity Shares other than to another Qualified Institutional Investor.

Republic of Korea

We are not making any representation with respect to the eligibility of any recipients of this document to acquire the Equity Shares therein under the laws of Korea, including, but without limitation, the Foreign Exchange Transaction Law and Regulations thereunder. The Equity Shares have not been and will not be registered under the Financial Investment Services and Capital Markets Act of Korea (the "**FSCMA**"). Accordingly, the Equity Shares may not be offered, sold or delivered, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to, or for the account or benefit of, any resident of Korea (as such term is defined under the Foreign Exchange Transaction Law of Korea and its Enforcement Decree), for a period of one year from the date of issuance of the Equity Shares, except (i) where relevant requirements are satisfied, the Equity Shares may be offered, sold or delivered to or for the account or benefit of a Korean resident which falls within certain categories of qualified professional investors as specified in the FSCMA, its Enforcement Decree and the Regulation on Securities Issuance and Disclosure promulgated thereunder, or (ii) as otherwise permitted under applicable Korean laws and regulations.

Furthermore, the Equity Shares may not be re-sold to Korea residents unless the purchaser of the Equity Shares complies with all applicable regulatory requirements (including, but not limited to, governmental approval requirements under the Foreign Exchange Transaction Law and its subordinate decrees and regulations) in connection with purchase of the Equity Shares.

Kuwait

This document does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, the Equity Shares in the State of Kuwait. The Equity Shares have not been licensed for offering, promotion, marketing, advertisement or sale in the State of Kuwait by the Capital Markets Authority or any other relevant Kuwaiti government agency. The offering, promotion, marketing, advertisement or sale of the Equity Shares in State of Kuwait on the basis of a private placement or public offering is, therefore, prohibited in accordance with Law No. 7 of 2010 and the Executive Bylaws for Law No. 7 of 2010, as amended, which govern the issue, offer, marketing and sale of financial services/products in the State of Kuwait ("**Kuwait Securities Laws**"). No private or public offering of the Equity Shares is or will be made in the State of Kuwait, and no agreement relating to the sale of the Equity Shares will be concluded in the State of Kuwait and no marketing or solicitation or inducement activities are being used to offer or market the Equity Shares in the State of Kuwait.

Malaysia

No prospectus or other offering material or document in connection with the offer and sale of the Equity Shares has been or will be registered with the Securities Commission of Malaysia ("**Commission**") for the Commission's approval pursuant to the Capital Markets and Services Act 2007. Accordingly, this Preliminary Placement Document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Equity Shares may not be circulated or distributed, nor may the Equity Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Malaysia other than (i) a closed end fund approved by the Commission; (ii) a holder of a Capital Markets Services Licence; (iii) a person who acquires the Equity Shares, as principal, if the offer is on terms that the Equity Shares may only be acquired at a consideration of not less than RM250,000 (or its equivalent in foreign currencies) for each transaction; (iv) an individual whose total net personal assets or total net joint assets with his or her spouse exceeds RM3 million (or its equivalent in foreign currencies), excluding the value of the primary residence of the individual; (v) an individual who has a gross annual income exceeding RM300,000 (or its equivalent in foreign currencies) per annum in the preceding twelve months; (vi) an individual who, jointly with his or her spouse, has a gross annual income of RM400,000 (or its equivalent in foreign currencies), per annum in the preceding twelve months; (vii) a corporation with total net assets exceeding RM10 million (or its equivalent in a foreign currencies) based on the last audited accounts; (viii) a partnership with total net assets exceeding RM10 million (or its equivalent in foreign currencies); (ix) a bank licensee or insurance licensee as defined in the Labuan Financial Services and Securities Act 2010; (x) an Islamic bank licensee or takaful licensee as defined in the Labuan Financial Services and Securities Act 2010; and (xi) any other person as may be specified by the Commission; provided that, in the each of the preceding categories (i) to (xi), the distribution of the Equity Shares is made by a holder of a Capital Markets Services Licence who carries on the business of dealing in securities. The distribution in Malaysia of this Preliminary Placement Document is subject to Malaysian laws. This Preliminary Placement Document does not constitute and may not be used for the purpose of public offering or an issue, offer for subscription or purchase, invitation to subscribe for or purchase any securities requiring the registration of a prospectus with the Commission under the Capital Markets and Services Act 2007.

Mauritius

The Equity Shares may not be offered, distributed or sold, directly or indirectly, in Mauritius or to any resident of Mauritius, except as permitted by applicable Mauritius law, including but not limited to the Mauritius Securities Act. No offer or distribution of securities will be made to the public in Mauritius.

New Zealand

This Preliminary Placement Document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "**FMC Act**"). This Issue is not an offer of financial products that requires disclosure under Part 3 of the FMC Act and no product disclosure statement, register entry or other disclosure document under the FMC Act will be prepared in respect of this Issue. The Equity Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

(a) is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;

(b) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;

(c) is large within the meaning of clause 39 of Schedule 1 of the FMC Act; or

(d) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or

(e) is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

If, in the future, any person in New Zealand to whom the Equity Shares are issued or sold elects to sell any Equity Shares, they must not do so in any manner which will, or is likely to, result in this Issue, or such sale, being viewed as an offer to which Part 3 of the FMC Act is applicable.

Sultanate of Oman

This Preliminary Placement Document and the Equity Shares to which it relates may not be advertised, marketed, distributed or otherwise made available to any person in Oman without the prior consent of the Capital Market Authority ("**CMA**") and then only in accordance with any terms and conditions of such consent. In connection with the offering of Equity Shares, no prospectus has been filed with the CMA. The offering and sale of Equity Shares described in the Preliminary Placement Document will not take place inside Oman. The Preliminary Placement Document is strictly private and confidential and is being issued to a limited number of sophisticated investors, and may neither be reproduced, used for any other purpose, nor provided to any other person than the intended recipient hereof.

Qatar (excluding the Qatar Financial Centre)

This Preliminary Placement Document and the offering of the Equity Shares have not been, and will not be: (i) lodged or registered with, or reviewed or approved by, the Qatar Central Bank, the Qatar Financial Markets Authority the Ministry of Business and Trade or any other governmental authority in the State of Qatar or (ii) authorized, permitted or licensed for offering or distribution in Qatar, and the information contained in this document does not, and is not intended to, constitute a public or general offer or other invitation in respect to the Equity Shares in the State of Qatar. Accordingly, the Equity Shares are not being, and will not be, offered, issued or sold in the State of Qatar, and this document is not being, and will not be, distributed in the State of Qatar. The offering, marketing, issue and sale of the Equity Shares and distribution of this Preliminary Placement Document is being made in, and is subject to the laws, regulations and rules of jurisdictions outside of the State of Qatar. No application has been or will be made for the Equity Shares to be listed or traded on the Qatar Exchange or the QE Venture Market.

This Preliminary Placement Document is strictly private and confidential, and is being sent to a limited number of institutional and/or sophisticated investors (a) upon their request and confirmation that they understand the statements above; and (b) on the condition that it will not be provided to any person other than the original recipient, and is not for general circulation and may not be reproduced or used for any other purpose.

Qatar Financial Centre

This Preliminary Placement Document does not, and is not intended to, constitute an invitation or offer of securities from or within the Qatar Financial Centre (the "**QFC**"), and accordingly should not be construed as such. This document has not been reviewed or approved by or registered with the Qatar Financial Centre Authority, the Qatar Financial Centre Regulatory Authority or any other competent legal body in the QFC. This document is strictly private and confidential, and may not be reproduced or used for any other purpose, nor provided to any person other than the recipient thereof. Our Company has not been approved or licensed by or registered with any licensing authorities within the QFC.

Saudi Arabia

This Preliminary Placement Document may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations as issued by the board of the Saudi Arabian Capital Market Authority ("**CMA**") pursuant to resolution number 3-123-2017 dated December 27, 2017 as amended by resolution number 1-104-2019 dated September 30, 2019, as amended (the "**CMA Regulations**"). The CMA does not make any representation as to the accuracy or completeness of this Preliminary Placement Document and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Preliminary Placement Document. Prospective purchasers of the Equity Shares offered hereby should conduct their own due diligence on the accuracy of the information relating to the Equity Shares. If you do not understand the contents of this Preliminary Placement Document, you should consult an authorized financial adviser.

Singapore

This Preliminary Placement Document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, the Book Running Lead Manager has represented, warranted and agreed that it has not offered or sold any Equity Shares or caused the Equity Shares to be made the subject of an invitation for subscription or purchase and will not offer or sell any Equity Shares or cause the Equity Shares to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Preliminary Placement Document or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Equity Shares, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Equity Shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Equity Shares pursuant to an offer made under Section 275 of the SFA except:

(a) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(b) where no consideration is or will be given for the transfer;

(c) where the transfer is by operation of law;

(d) as specified in Section 276(7) of the SFA; or

as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

South Africa

Due to restrictions under the securities laws of South Africa, the Equity Shares are not offered, and the offer shall not be transferred, sold, renounced or delivered, in South Africa or to a person with an address in South Africa, unless one or other of the following exemptions applies:

(i) the offer, transfer, sale, renunciation or delivery is to:

(a) persons whose ordinary business is to deal in securities, as principal or agent;

(b) the South African Public Investment Corporation;

(c) persons or entities regulated by the Reserve Bank of South Africa;

(d) authorised financial service providers under South African law;

(e) financial institutions recognised as such under South African law;

(f) a wholly-owned subsidiary of any person or entity contemplated in (c), (d) or (e), acting as agent in the capacity of an authorised portfolio manager for a pension fund or collective investment scheme (in each case duly registered as such under South African law); or

(g) any combination of the person in (a) to (f); or

(ii) the total contemplated acquisition cost of the securities, for any single addressee acting as principal is equal to or greater than ZAR1,000,000.

No "offer to the public" (as such term is defined in the South African Companies Act, No. 71 of 2008 (as amended or re-enacted) (the "**South African Companies Act**")) in South Africa is being made in connection with the issue of the Equity Shares. Accordingly, this Preliminary Placement Document does not, nor is it intended to, constitute a "registered prospectus" (as that term is defined in the South African Companies Act) prepared and registered under the South African Companies Act and has not been approved by, and/or filed with, the South African Companies and Intellectual Property Commission or any other regulatory authority in South Africa. Any issue or offering of the Equity Shares in South Africa constitutes an offer of the Equity Shares in South Africa for subscription or sale in South Africa only to persons who fall within the exemption from "offers to the public" set out in section 96(1)(a) of the South African Companies Act. Accordingly, this Preliminary Placement Document must not be acted on or relied on by persons in South Africa who do not fall within section 96(1)(a) of the South African Companies Act (such persons being referred to as "SA Relevant Persons"). Any investment or investment activity to which this Preliminary Placement Document relates is available in South Africa only to SA Relevant Persons and will be engaged in South Africa only with SA relevant persons.

Switzerland

The Equity Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("**SIX**") or on any other stock exchange or regulated trading facility in Switzerland. This Preliminary Placement Document has been prepared without regard to the disclosure standards for issuance prospectuses under Article 652a or Article 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under Articles 27 ff. of the SIX Listing Manual or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the Equity Shares or the Issue may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the Equity Shares or the Issue or us have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the Issue will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA, and the Issue has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes ("**CISA**"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of the Equity Shares.

The Equity Shares are being offered in Switzerland by way of a private placement, i.e., to a small number of selected investors only, without any public offer and only to investors who do not purchase the Equity Shares with the intention to distribute them to the public. The investors will be individually approached from time to time. This document, as well as any other offering or marketing material relating to the Equity Shares, is confidential and it is exclusively for the use of the individually addressed investors in connection with the offer of the Equity Shares in Switzerland and it does not constitute an offer to any other person. This document may only be used by those investors to whom it has been handed out in connection with the Issue described herein and may neither directly nor indirectly be distributed or made available to other persons without our express consent. It may not be used in connection with any other offer and shall in particular not be copied and/or distributed to the public in or from Switzerland.

Taiwan

The Equity Shares have not been and will not be registered with the Financial Supervisory Commission of Taiwan pursuant to relevant securities laws and regulations and may not be sold, issued or offered within Taiwan through a public offering or in circumstances which constitutes an offer within the meaning of the Securities and Exchange Act of Taiwan that requires a registration or approval of the Financial Supervisory Commission of Taiwan. No person or entity in Taiwan has been authorized to offer, sell, give advice regarding or otherwise intermediate the offering and sale of the Equity Shares in Taiwan.

United Arab Emirates (excluding the Dubai International Financial Centre)

This document does not constitute or contain an offer of securities to the general public in the UAE. No offering, marketing, promotion, advertising or distribution (together, "**Promotion**") of this document or the Equity Shares may be made to the general public in the United Arab Emirates (the "**UAE**") unless: (a) such Promotion has been approved by the UAE Securities and Commodities Authority (the "**SCA**") and is made in accordance with the laws and regulations of the UAE, including SCA Board of Directors' Chairman Decision no. (3/R.M.) of 2017 (the "**Promotion and Introduction Regulations**"), and is made by an entity duly licensed to conduct such Promotion activities in the UAE; or (b) such Promotion is conducted by way of private placement made: (i) only to non-natural person "Qualified Investors" (as such term is defined in the Promotion and Introduction Regulations); or (ii) otherwise in accordance with the laws and regulations of the UAE; or (c) such Promotion is carried out by way of reverse solicitation only upon an initiative made in writing by an investor in the UAE. None of the SCA, the UAE Central Bank, the UAE Ministry of Economy or any other regulatory authority in the UAE has reviewed or approved the contents of this document nor does any such entity accept any liability for the contents of this document.

In relation to its use in the UAE, this Preliminary Placement Document is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. If you do not understand the contents of this Preliminary Placement Document, you should consult an authorised financial adviser.

Dubai International Financial Centre

This Preliminary Placement Document relates to an Exempt Offer in accordance with the Markets Rules Module of the Dubai Financial Services Authority ("**DFSA**") Rulebook. This Preliminary Placement Document is intended for distribution only to persons of a type specified in the Markets Rules Module. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this Preliminary Placement Document nor taken steps to verify the information set forth herein and has no responsibility for this Preliminary Placement Document. The securities to which this Preliminary Placement Document relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the securities offered should conduct their own due diligence on the securities. If you do not understand the contents of this Preliminary Placement Document you should consult an authorized financial advisor.

In relation to its use in the DIFC, this Preliminary Placement Document is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The interests in the securities may not be offered or sold directly or indirectly to the public in the DIFC.

United Kingdom

No Equity Shares have been offered or will be offered pursuant to the Issue to the public in the United Kingdom prior to the publication of a prospectus in relation to the Equity Shares, except that the Equity Shares may be offered to the public in the United Kingdom at any time:

(a) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of Book Running Lead Managers for any such offer; or

(c) in any other circumstances falling within Section 86 of the Financial Services and Markets Act 2000 ("**FSMA**") provided that no such offer of the Equity Shares shall require the Issuer or any Book Running Lead Manager to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an "offer to the public" in relation to the Equity Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Shares and the expression "UK Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

United States

The Equity Shares have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons reasonably believed to be U.S. QIBs pursuant to Section 4(a)(2) of the U.S. Securities Act or another available exemption from the registration requirements of the U.S. Securities Act, and (b) outside the United States in "offshore transactions" as defined in, and in reliance on, Regulation S and the applicable laws of the jurisdictions where those offers and sales are made. For further information, see "*Representations By Investors*", "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 6, 197 and 207, respectively of this Preliminary Placement Document.

Other Jurisdictions

The distribution of this Preliminary Placement Document and the offer and sale of the Equity Shares may be restricted by law in certain jurisdictions. Persons into whose possession this Preliminary Placement Document comes are required to inform themselves about, and to observe, any such restrictions to the extent applicable.

PURCHASER REPRESENTATIONS AND TRANSFER RESTRICTIONS

Due to the following restrictions, investors are advised to consult their legal counsel prior to subscribing for Equity Shares or making any resale, pledge or transfer of the Equity Shares.

Pursuant to Chapter VI of the SEBI ICDR Regulations, any resale of Equity Shares, except on a recognized stock exchange, is not permitted for a period of one year from the date of Allotment. Investors are advised to consult legal counsels prior to making any resale, pledge or transfer of our Equity Shares. In addition to the above, allotments made to Eligible QIBs, including VCFs and AIFs, in the Issue may be subject to lock-in requirements, if any, under the rules and regulations that are applicable to them. For more information, see "*Selling Restrictions*" on page 197.

Purchaser Representations and Transfer Restrictions for Purchasers within the United States

The Equity Shares have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and, unless so registered, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws.

If you purchase the Equity Shares offered in the United States pursuant to Section 4(a)(2) of the U.S. Securities Act, in reliance upon Rule 144A or another available exemption from the registration requirements of the U.S. Securities Act, by accepting delivery of this Preliminary Placement Document, submitting a bid to purchase Equity Shares and/or accepting delivery of any Equity Shares, you will be deemed to have represented and agreed to us and the Book Running Lead Manager as follows:

- You are authorised to consummate the purchase of the Equity Shares in compliance with all applicable laws and regulations.

- You (A) are a "qualified institutional buyer" (as defined in Rule 144A) (a "U.S. QIB"), (B) are aware that the sale of the Equity Shares to you is being made pursuant to Section 4(a)(2) of the U.S. Securities Act or another available exemption from the registration requirements of the U.S. Securities Act, and (C) are acquiring such Equity Shares for your own account or for the account of a U.S. QIB;

- You understand and agree (or if you are a broker-dealer acting on behalf of a customer, your customer has confirmed to you that such customer understands and agrees) that the Equity Shares are being offered in a transaction not involving any public offering within the meaning of the U.S. Securities Act, have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be reoffered, resold, pledged or otherwise transferred except (A)(i) in the United States, (1) to a person who the seller reasonably believes is a U.S. QIB in a transaction meeting the requirements of Rule 144A, (2) pursuant to an exemption from the registration requirements under the U.S. Securities Act provided by Rule 144 under the Securities Act (if available), (3) pursuant to another available exemption from the registration requirements of the U.S. Securities Act, or (4) pursuant to an effective registration statement under the Securities Act, or (ii) outside the United States in an offshore transaction in reliance upon Regulation S, as applicable, and (B) in each case, in accordance with all applicable securities laws of the states of the United States and any other jurisdictions in which such offers or sales are made.

- You agree (or if you are a broker-dealer acting on behalf of a customer, your customer has confirmed to you that such customer agrees) that neither you, nor any of your affiliates, nor any person acting on your behalf, will make any "directed selling efforts" as defined in Regulation S, with respect to the Equity Shares. You acknowledge and agree that you are not purchasing any Equity Shares as a result of any directed selling efforts.

- The Equity Shares offered and sold in the United States as part of the Issue are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 for re-sales of any Equity Shares.

- You will not deposit or cause to be deposited such Equity Shares into any depositary receipt facility established or maintained by a depositary bank other than a Rule 144A restricted depositary receipt facility, so long as such Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act.

- You have been provided access to this Preliminary Placement Document and will be provided access to the Placement Document, which you have read in its entirety. You will base your investment decision on a copy of this Preliminary Placement Document and the Placement Document. You acknowledge that neither our Company nor any of its affiliates nor any other person (including the Book Running Lead Manager) or any of its affiliates has made or will make any representations, express or implied, to you with respect to our Company, the Issue, the Equity Shares or the accuracy, completeness or adequacy of any financial or other information concerning our Company, the Issue or the Equity Shares, other than (in the case of our Company only) the information contained in this Preliminary Placement Document, as it may be supplemented.

- You are a sophisticated investor and possess such knowledge and experience in financial, business and investments as to be capable of evaluating the merits and risks of the investment in the Equity Shares. You are experienced in investing in private placement transactions of securities of companies in similar jurisdictions. You and any accounts for which you are subscribing to the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to our Company or any of the BRLM or any of their respective shareholders, directors, officers, employees, counsels, advisors, representatives, agents or affiliates for all or part of any such loss or losses that may be suffered, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) are seeking to subscribe to the Equity Shares in this Issue for investment purposes and not with a view to resell or distribute them and you or they have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by it of all or any part of the Equity Shares, (v) have no need for liquidity with respect to the investment in the Equity Shares, and (vi) have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares. You acknowledge that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment.

- You will notify any transferee to whom you subsequently offer, sell, pledge or otherwise transfer and the executing broker and any other agent involved in any resale of the Equity Shares of the foregoing restrictions applicable to the Equity Shares and instruct such transferee, broker or agent to abide by such restrictions.

- You acknowledge that if at any time your representations cease to be true, you agree to resell the Equity Shares at our Company's request.

- You agree that any offer, resale, pledge or other transfer, or attempted offer, resale, pledge or other transfer, of the Equity Shares made other than in compliance with the above-stated restrictions will not be recognised by the Company.

You acknowledge and agree (or if you are a broker-dealer acting on behalf of a customer, your customer has confirmed to you that such customer acknowledges and agrees) that the Company, the BRLM and their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements and agree that, if any of such acknowledgements, representations or agreements are no longer accurate you will promptly notify Company and the BRLM; and if you are acquiring any of the Equity Shares as a fiduciary or agent for one or more accounts, you represent that you have sole investment discretion with respect to each such account and that you have full power to make, and do make, the foregoing acknowledgements, representations and agreements on behalf of each such account. You agree that the terms and provisions of the foregoing acknowledgements, representations and agreements shall inure to the benefit of and any document incorporating such acknowledgements, representations and agreements shall be enforceable by the Company, its successors and its permitted assigns, and the terms and provisions hereof shall be binding on its permitted successors in title, permitted assigns and permitted transferees. You understand that these acknowledgments, representations and undertakings are required in connection with United States securities laws and irrevocably authorize the Company to produce these acknowledgments, representations and undertakings (or any document incorporating them) to any interested party in any administrative or legal proceedings or official enquiry with respect to the matters covered herein.

Representations and Transfer Restrictions for Purchasers outside the United States

If you purchase the Equity Shares offered outside the United States in reliance on Regulation S, by accepting delivery of this Preliminary Placement Document, submitting a bid to purchase Equity Shares and/or accepting delivery of any Equity Shares, you will be deemed to have represented and agreed as follows:

- You are authorised to consummate the purchase of the Equity Shares in compliance with all applicable laws and regulations and will comply with all laws, regulations and restrictions (including the selling restrictions contained in this Preliminary Placement Document) which may be applicable in your jurisdiction and you have obtained or will obtain any consent, approval or authorization required for you to purchase and accept delivery of Equity Shares, and you acknowledge and agree that none of the Company or the BRLM and their respective affiliates shall have any responsibility in this regard.

- You acknowledge (or if you are a broker-dealer acting on behalf of a customer, your customer has confirmed to you that such customer acknowledges) that the Equity Shares are being issued in offshore transactions in reliance upon Regulation S and such Equity Shares have not been and will not be registered under the U.S. Securities Act.

- You certify that either (A) you are, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, are located outside the United States (within the meaning of Regulation S), and you have not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States, or (B) you are a broker-dealer acting on behalf of your customer and your customer has confirmed to you that (i) such customer is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, (ii) such customer is located outside the United States (within the meaning of Regulation S), and (iii) such customer has not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States.

- You are aware of the restrictions of the offer, sale and resale of the Equity Shares pursuant to Regulation S.

- You agree (or you are a broker-deal acting on behalf of a customer that has confirmed to you that such customer agrees) that neither it, nor any of its affiliates, nor any person acting on its behalf, will make any "directed selling efforts" as defined in Regulation S. You acknowledge and agree that you are not purchasing any Equity Shares as a result of any "directed selling efforts" as defined in Regulation S.

- You understand and agree (or if you are a broker-dealer acting on behalf of a customer, your customer has confirmed to you that such customer understands and agrees) that the Equity Shares are being offered in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act, that the Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws int eh United States and that such Equity Shares may be offered, resold, pledged or otherwise transferred except (A)(i) in the United States, (1) to a person who the seller reasonably believes is a U.S. QIB in a transaction meeting the requirements of Rule 144A, (2) pursuant to an exemption from registration under the U.S Securities Act provided by Rule 144 under the U.S. Securities Act (if available), (3) pursuant to another available exemption from the registration requirements of the U.S Securities Act, or (4) pursuant to an effective registration statement under the U.S. Securities Act, or (ii) outside the United States in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S, as applicable, and (B) in each case, in accordance with all applicable securities laws of the states of the United States and any other jurisdictions in which such offers or sales are made.

- You are a sophisticated investor and possess such knowledge and experience in financial, business and investments as to be capable of evaluating the merits and risks of the investment in the Equity Shares. You are experienced in investing in private placement transactions of securities of companies in a similar stage of development and in similar jurisdictions. You and any accounts for which you are subscribing to the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to the Company or the BRLM or any of their respective shareholders, directors, officers, employees, counsels, advisors, representatives, agents or affiliates for all or part of any such loss or losses that may be suffered, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) are seeking to subscribe to the Equity Shares in this Issue for investment purposes and not with a view to resell or distribute them and you or they have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by it of all or any part of the Equity Shares, (v) have no need for liquidity with respect to the investment in the Equity Shares, and (vi) have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares. You acknowledge that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment.

- You have been provided access to this Preliminary Placement Document and will be provided access to the Placement Document ,which you have read in its entirety. You will base your investment decision on a copy of this Preliminary Placement Document and the Placement Document. You acknowledge that neither our Company nor any of its affiliates nor any other person (including the Book Running Lead Manager) or any of its affiliates has made or will make any representations, express or implied, to you with respect to our Company, the Issue, the Equity Shares or the accuracy, completeness or adequacy of any financial or other information concerning our Company, the Issue or the Equity Shares, other than (in the case of our Company only) the information contained in this Preliminary Placement Document, as it may be supplemented.

- You agree to indemnify and hold the Company and the BRLM harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations and warranties. You will not hold any of the Company or the BRLM liable with respect to its investment in the Equity Shares. You agree that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares.

- Where you are subscribing to the Equity Shares for one or more managed accounts, you represent and warrant that you are authorised in writing, by each such managed account to subscribe to the Equity Shares for each managed account and to make (and it hereby makes) the acknowledgements and agreements herein for and on behalf of each such account, reading the reference to "you" to include such accounts.

- You agree that any offer, resale, pledge or other transfer, or attempted offer, resale, pledge or other transfer, of the Equity Shares made other than in compliance with the above-stated restrictions shall not be recognised by the Company.

If such person is a dealer (as such term is defined under the U.S. Securities Act), it may not resell the Equity Shares in the United States prior to 40 days from the commencement of the offering of the Equity Shares. You acknowledge and agree (or if you are a broker-dealer acting on behalf of a customer, your customer has confirmed to you that such customer acknowledges and agrees) that the Company and the BRLM and their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agree that, if any of such acknowledgements, representations or agreements are no longer accurate, you will promptly notify the Company and the BRLM; and if you are acquiring any of the Equity Shares as a fiduciary or agent for one or more accounts, you represent that you have sole investment discretion with respect to each such account and that you have full power to make, and do make, the foregoing acknowledgements, representations and agreements on behalf of each such account. You agree that the terms and provisions of the foregoing acknowledgements, representations and agreements shall inure to the benefit of and any document incorporating such acknowledgements, representations and agreements shall be enforceable by the Company, its successors and its permitted assigns, and the terms and provisions hereof shall be binding on its permitted successors in title, permitted assigns and permitted transferees. You understand that these acknowledgments, representations and undertakings are required in connection with United States securities laws and irrevocably authorize the Company to produce these acknowledgments, representations and undertakings (or any document incorporating them) to any interested party in any administrative or legal proceedings or official enquiry with respect to the matters covered herein.

THE SECURITIES MARKET OF INDIA

The information in this section has been extracted from documents available on the website of SEBI and the Stock Exchanges and has not been prepared or independently verified by our Company, the BRLM or any of their respective affiliates or advisors.

The Indian Securities Market

India has a long history of organised securities trading. In 1875, the first stock exchange was established in Mumbai. The BSE and the NSE together hold a dominant position among the stock exchanges in terms of the number of listed companies, market capitalisation and trading activity.

Stock Exchanges Regulation

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Capital Markets Division, under the SCRA and the SCRR. On October 3, 2018, SEBI, in exercise of its powers under the SCRA and the SEBI Act, notified the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (the "**SECC Regulations**"), which regulate *inter alia* the recognition, ownership and internal governance of stock exchanges and clearing corporations in India together with providing for minimum net worth requirements for stock exchanges. The SCRA, the SCRR and the SECC Regulations along with various rules, bye-laws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner, in which contracts are entered into, settled and enforced between members of the stock exchanges.

The SEBI Act empowers SEBI to regulate the Indian securities markets, including stock exchanges and intermediaries in the capital markets, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations and guidelines concerning minimum disclosure requirements by public companies, rules and regulations concerning investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buy-backs of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, foreign portfolio investors, credit rating agencies and other capital market participants have been notified by the relevant regulatory authority.

Listing and delisting of Securities

The listing of securities on a recognised Indian stock exchange is regulated by the applicable Indian laws including the Companies Act, the SCRA, the SCRR, the SEBI Act, and various guidelines and regulations issued by SEBI including the SEBI ICDR Regulations SEBI Listing Regulations. The SCRA empowers the governing body of each recognised stock exchange to suspend trading of or withdraw admission to dealings in a listed security for breach of or non-compliance with any conditions or breach of company's obligations under the SEBI Listing Regulations or for any reason, subject to the issuer receiving prior written notice of the intent of the exchange and upon granting of a hearing in the matter. SEBI also has the power to amend the SEBI Listing Regulations and bye-laws of the stock exchanges in India, to overrule a stock exchange's governing body and withdraw recognition of a recognized stock exchange.

SEBI has notified the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, to govern the voluntary and compulsory delisting of equity shares from the stock exchanges. In addition, certain amendments to the SCRR have also been notified in relation to delisting

Minimum Level of Public Shareholding

All listed companies (except public sector undertakings) are required to maintain a minimum public shareholding at 25%. In this regard, SEBI has provided several mechanisms to comply with this requirement. Further, where the public shareholding in a listed company falls below 25% (except public sector undertakings) at any time, such company is required to bring the public shareholding to 25% within a maximum period of 12 months from the date of such fall. Consequently, a listed company may be delisted from the stock exchanges for not complying with the above-mentioned requirement. Our Company is in compliance with this minimum public shareholding requirement.

Index-Based Market-Wide Circuit Breaker System

In order to restrict abnormal price volatility in any particular stock, the SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index-based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10%, 15% and 20%. The stock exchanges on a daily basis translate the circuit breaker limits based on previous day's closing level of the index. These circuit breakers, when triggered, bring about a co-ordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of the BSE or the S&P CNX NIFTY of the NSE, whichever is breached earlier.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise circuit breakers. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available.

The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

BSE

BSE is one of the stock exchanges in India on which our Equity Shares are listed. Established in 1875, it is the oldest stock exchange in India. In 1956, it became the first stock exchange in India to obtain permanent recognition from the Government under the SCRA. Pursuant to the BSE (Corporatization and Demutualization) Scheme 2005 of SEBI, with effect from August 19, 2005, BSE was incorporated as a company under the Companies Act, 1956. BSE was listed on NSE with effect from February 3, 2017. It has evolved over the years into its present status as one of the premier stock exchanges of India.

NSE

The NSE was established by financial institutions and banks to provide nationwide online, satellite-linked, screen-based trading facilities with market-makers and electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. Deliveries for trades executed "on- market" are exchanged through the National Securities Clearing Corporation Limited. It has evolved over the years into its present status as one of the premier stock exchanges of India. The NSE was recognised as a stock exchange under the SCRA in April 1993 and commenced operations in the wholesale debt market segment in June 1994. The capital market (equities) segment commenced operations in November 1994 and operations in the derivatives segment commenced in June 2000. NSE launched the NSE 50 Index, now known as S&P CNX NIFTY, on April 22, 1996 and the Mid-cap Index on January 1, 1996.

Internet-based Securities Trading and Services

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. Stockbrokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated by SEBI. The NSE became the first exchange to grant approval to its members for providing internet-based trading services. Internet trading is possible on both the "equities" as well as the "derivatives" segments of the NSE.

Trading Hours

Trading on both the NSE and the BSE occurs from Monday to Friday, between 9:15 a.m. and 3:30 p.m. IST (excluding the 15 minutes pre-open session from 9:00 a.m. to 9:15 a.m.). The BSE and the NSE are closed on public holidays. The recognised stock exchanges have been permitted to set their own trading hours (in the cash and derivatives segments) subject to the condition that (i) the trading hours are between 9.00 a.m. and 5.00 p.m.; and (ii) the stock exchange has in place a risk management system and infrastructure commensurate to the trading hours.

Trading Procedure

In order to facilitate smooth transactions, the BSE replaced its open outcry system with BSE On-line Trading ("**BOLT**") facility in 1995. This totally automated screen based trading in securities was put into practice nationwide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work. In the year 2014, BSE introduced its new generation trading platform, BOLT Plus

NSE has introduced a fully automated trading system called National Exchange for Automated Trading ("**NEAT**"), which operates on strict time/price priority besides enabling efficient trade. NEAT has provided depth in the market by enabling large number of members all over India to trade simultaneously, narrowing the spreads.

SEBI Listing Regulations

Public listed companies are required under the SEBI Listing Regulations to prepare and circulate to their shareholders audited annual accounts which comply with the disclosure requirements and regulations governing their manner of presentation and which include sections relating to corporate governance, related party transactions and management's discussion and analysis as required under the SEBI Listing Regulations. In addition, a listed company is subject to, *inter alia*, continuing disclosure requirements pursuant to the terms of the SEBI Listing Regulations.

SEBI Takeover Regulations

Disclosure and mandatory bid obligations for listed Indian companies are governed by the SEBI Takeover Regulations which provide specific regulations in relation to substantial acquisition of shares and takeover. Once the equity shares of a company are listed on a stock exchange in India, the provisions of the SEBI Takeover Regulations will apply to any acquisition of the company's shares/voting rights/control. The SEBI Takeover Regulations prescribe certain thresholds or trigger points in the shareholding a person or entity has in the listed Indian company, which give rise to certain obligations on part of the acquirer. Acquisitions up to a certain threshold prescribed under the SEBI Takeover Regulations mandate specific disclosure requirements, while acquisitions crossing particular thresholds may result in the acquirer having to make an open offer of the shares of the target company. The SEBI Takeover Regulations also provide for the possibility of indirect acquisitions, imposing specific obligations on the acquirer in case of such indirect acquisition. The SEBI Takeover Regulations also provides certain general exemptions which exempt certain acquisitions from the obligation to make an open offer. The SEBI Takeover Regulations were further amended on June 22, 2020 to exempt any acquisitions by way of preferential issue from the obligation to make an open offer.

SEBI Insider Trading Regulations

The SEBI Insider Trading Regulations have been notified to prohibit and penalise insider trading in India. An insider is, among other things, prohibited from dealing in the securities of a listed company when in possession of unpublished price sensitive information ("**UPSI**").

The SEBI Insider Trading Regulations were notified on January 15, 2015 and came into effect on May 15, 2015, which repealed the erstwhile regulations of 1992. The SEBI Insider Trading Regulations, *inter alia*, impose certain restrictions on the communication of information by listed companies. Under the SEBI Insider Trading Regulations, (i) no insider shall communicate, provide or allow access to any UPSI relating to such companies and securities listed or proposed to be listed, to any person including other insiders; and (ii) no person shall procure or cause the communication by any insider of UPSI relating to such companies and securities listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. However, UPSI may be communicated, provided or allowed access to or procured, under certain circumstances specified in the SEBI Insider Trading Regulations.

The SEBI Insider Trading Regulations make it compulsory for listed companies and certain other entities that are required to handle UPSI in the course of business operations to establish an internal code of practices and procedures for fair disclosure of UPSI and to regulate, monitor and report trading by insiders. To this end, the SEBI Insider Trading Regulations provide principles of fair disclosure for purposes of code of practices and procedures for fair disclosure of UPSI and minimum standards for code of conduct to regulate, monitor and report trading by insiders. There are also initial and continuing shareholding disclosure obligations under the SEBI Insider Trading Regulations.

The SEBI Insider Trading Regulations also provides for disclosure obligations for promoter, members of the promoter group, designated person or director in case value of trade exceed monetary threshold of ₹10 lakh over a calendar quarter, within two days of reaching such threshold. The board of directors of all listed companies are required to formulate and publish on the company's website a code of procedure for fair disclosure of UPSI along with a code of conduct for its employees for compliances with the SEBI Insider Trading Regulations. Further, on July 17, 2020, SEBI amended the Insider Trading Regulations to prescribe that the board of directors or head(s) of listed companies shall ensure that a structured digital database be maintained, containing the nature of unpublished price sensitive information, the names and details of persons who have shared the information and the names and details person with whom information is shared.

Depositories

The Depositories Act provides a legal framework for the establishment of depositories to record ownership details and effect transfer in book-entry form. Further, SEBI framed regulations in relation to the formation and registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners. The depository system has significantly improved the operation of the Indian securities markets.

Derivatives (Futures and Options)

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000 and derivatives contracts were included within the term "securities", as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivatives exchange or derivatives segment of a stock exchange functions as a self-regulatory organisation under the supervision of SEBI.

DESCRIPTION OF THE EQUITY SHARES

The following is information relating to the Equity Shares including a brief summary of the Memorandum and Articles of Association and the Companies Act. Prospective investors are urged to read the Memorandum and Articles of Association carefully, and consult with their advisers, as the Memorandum and Articles of Association and applicable Indian law, and not this summary, govern the rights attached to the Equity Shares.

General

The authorized share capital of our Company is ₹ 25,00,00,000, consisting of 2,50,00,000 Equity Shares of ₹ 10 each. For further information, see "*Capital Structure*" on page 77.

Dividends

Under Indian law, a company pays dividends upon a recommendation by its board of directors and approval by a majority of the shareholders at the AGM held each fiscal year. Under the Companies Act, unless the board of directors of a company recommends the payment of a dividend, the shareholders at a general meeting have no power to declare any dividend. Subject to certain conditions laid down by Section 123 of the Companies Act, 2013 no dividend can be declared or paid by a company for any fiscal year except out of the profits of the company for that year, calculated in accordance with the provisions of the Companies Act or out of the profits of the company for any previous fiscal year(s) arrived at as laid down by the Companies Act. According to the Articles of Association, the amount of dividends shall not exceed the amount recommended by the Board of Directors. However, our Company may declare a smaller dividend in the general meeting. In addition, as is permitted by the Articles of Association, the Board of the Directors may pay interim dividend as appear to it be justified by the profits of our Company.

Further, as per the Companies (Declaration and Payment of Dividend) Rules, 2014, in the absence of profits in any year, a company may declare dividend out of surplus, provided: (a) the rate of dividend declared shall not exceed the average of the rates at which dividend was declared by it in the three years immediately preceding that year; provided, this rule shall not apply to a company, which has not declared any dividend in each of the three preceding financial years; (b) the total amount to be drawn from such accumulated profits shall not exceed one-tenth of the sum of the paid up share capital of the company and free reserves as per the most recent audited financial statement; (c) the amount so drawn shall be first utilised to set off the losses incurred by the company in the financial year in which the dividend is declared before any dividend in respect of equity shares is declared; and (d) the balance of reserves of the company after such withdrawal shall not fall below 15% of the company's paid up share capital as per the most recent audited financial statement of the company.

The Equity Shares issued pursuant to this Preliminary Placement Document shall rank pari passu with the existing Equity Shares in all respects including entitlements to any dividends that may be declared by our Company.

Capitalization of reserves and issue of bonus shares

In addition to permitting dividends to be paid out of current or retained earnings as described above, the Companies Act permits the board of directors, if so approved by the shareholders in a general meeting, to distribute an amount transferred in the free reserves, the securities premium account or the capital redemption reserve account to its shareholders, in the form of fully paid up bonus ordinary shares, which are similar to stock dividend. These bonus ordinary shares must be distributed to shareholders in proportion to the number of ordinary shares owned by them as recommended by the board of directors. No issue of bonus shares may be made by capitalizing reserves created by revaluation of assets. Further, any issue of bonus shares would be subject to SEBI ICDR Regulations and the Companies Act, 2013.

As per the Articles of Association, a general meeting may upon the recommendation of the Board resolve that any moneys, investments or other assets forming part of the undivided profits standing to the credit of reserves or capital redemption reserve account, or in the hands of the Company and available for dividend or representing premium received on issue of shares and standing in the credit of a share premium account, to be distributed among the members on the footing that they become entitled thereto as capital.

Alteration of share capital

The Articles of Association authorize it to, from time to time, (a) consolidate and divide all or any of its share capital into shares of large amount than its existing shares; (b) sub-divide its share, or any of them, into shares of smaller amount than is fixed by the Memorandum, so however that in the sub-division the proportion between the amount, if any unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; and (e) cancel any shares, which at the date of the passing of the resolution in that behalf, have not be taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled. The resolutions whereby any share is sub-divided may determine that as between the holders of the shares resulting from such sub- division one or more of such shares shall have some preference or special advantage as regard dividend, capital, voting or otherwise over or as compared with others, subject to provisions of the Companies Act.

General meetings of shareholders

There are two types of general meetings of the shareholders:

AGM; and EGM.

Our Company must hold its AGM within six months after the expiry of each fiscal year provided that not more than 15 months shall elapse between the AGM and next one, unless extended by the RoC at its request for any special reason for a period not exceeding three months. The Board of Directors may convene an EGM when necessary or at the request of a shareholder or shareholders holding in the aggregate not less than one tenth of our Company's issued paid up capital (carrying a right to vote in respect of the relevant matter on the date of receipt of the requisition).

Not less than twenty-one days' notice shall be given of every general meeting of the Company. Every notice of a meeting shall specify the place and the day and hour of the meeting and shall contain a statement of the business to be transacted thereat. Where any such business consists of special business there shall be annexed to the notice a statement complying with provisions of Act. Notice of every meeting of the Company shall be given to every member of the Company, to the Auditors of the Company, and to any persons entitled to a share in consequence of the death or insolvency of a member in any manner hereinafter authorised for the giving of notices to such persons.

Due to the outbreak of COVID-19 pandemic and the restrictions imposed on gathering of people through social distancing norms, the MCA, by way of its, General Circular No. 14/ 2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020 and General Circular No. 20/2020 dated May 5, 2020 and SEBI, by way of its Circular No. SEBI/ HO/CFD / CMD1/ CIR/P/2020/79 dated May 12, 2020, has permitted companies to hold meetings, including annual general meetings through video conferencing or other audio visual means, during the calendar year 2020. Pursuant to the General Circular No. 33/2020 dated September 28, 2020, General Circular No. 39/2020 dated December 31, 2020 and General Circular No. 10/2021 dated June 23, 2021, MCA has permitted companies to hold annual general meetings through video conferencing or other audio visual means till December 31, 2021.

Register of shareholders and record dates

We are obliged to maintain a register of shareholders at our registered office. We recognize as shareholders only those persons whose names appear on the register of shareholders and cannot recognize any person holding any share or part of it upon any express, implied or constructive trust, except as permitted by law. In respect of electronic transfers, the depository transfers shares by entering the name of the purchaser in its books as the beneficial owner of the shares. In turn, the name of the depository is entered into our records as the registered owner of the shares. The beneficial owner is entitled to all the rights and benefits as well as the liabilities with respect to the shares held by a depository.

Voting rights

Subject to the provisions of the Companies Act, 2013 and our Articles of Association, votes may be given either personally or by proxy, and in the case of a body corporate, a duly authorized representative under Section 113 of the Companies Act, 2013 shall be entitled to exercise the same powers on behalf of the corporation as if it were an individual member of the company. On a show of hands, every member holding equity shares and present in person shall have one vote and every person present either as a general proxy on behalf of a holder of equity shares, if he is not entitled to vote in his own right or as a duly authorised representative of a body corporate, shall have one vote. On poll conducted via e-voting or postal ballot, every member holding equity shares therein shall have voting rights in proportion to his share of the paid-up equity share capital.

Ordinary resolutions may be passed by simple majority of those present and voting. Special resolutions require that the votes cast in favour of the resolution must be at least three times the votes cast against the resolution. A shareholder may exercise his voting rights by proxy to be given in the form required by the Articles of Association. The instrument appointing a proxy is required to be lodged with our Company at least 48 hours before the time of the meeting.

Transfer of shares

Shares held through depositories are transferred in the form of book entries or in electronic form in accordance with the regulations laid down by SEBI. These regulations provide the regime for the functioning of the depositories and the participants and set out the manner in which the records are to be kept and maintained and the safeguards to be followed in this system. Transfers of beneficial ownership of shares held through a depository are exempt from stamp duty. Our Company has entered into an agreement for such depository services with the NSDL and CDSL. SEBI requires that the shares for trading and settlement purposes be in book-entry form for all investors, except for transactions that are not made on a stock exchange and transactions that are not required to be reported to the stock exchange. Our Company shall keep a book in which every transfer or transmission of shares will be entered.

Pursuant to the SEBI Listing Regulations, in the event our Company has not effected the transfer of shares within 15 days or where our Company has failed to communicate to the transferee any valid objection to the transfer within the stipulated time period of 15 days, it is required to compensate the aggrieved party for the opportunity loss caused during the period of the delay. The Equity Shares shall be freely transferable, subject to applicable laws.

Buy-back

Our Company may buy back its own Equity Shares or other specified securities subject to the provisions of the Companies Act, 2013 and any related SEBI guidelines issued in connection therewith.

Winding-up

If our Company is to be wound up and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that as nearly as may be the losses shall be borne by the members in proportion to the capital paid up or which ought to have been paid up at the commencement of the winding-up on the shares held by them respectively. And if in a winding-up the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding-up the excess shall be distributed amongst the members in proportion to the capital at the commencement of the winding-up paid up or which ought to have been paid up on the shares held by them respectively.

STATEMENT OF POSSIBLE TAX BENEFITS

To,
The Board of Directors
Saregama India Limited
33, Jessore Road, Dum Dum
Kolkata – 700028, India

Date: 02 November 2021

Dear Sirs,

Subject: Statement of possible special tax benefits ("the Statement") available to Saregama India Limited ("Company") and the shareholders in accordance with the requirement of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("the ICDR Regulations")

This report is issued in accordance with the Engagement Letter dated 19 October 2021.

We hereby report that the enclosed Annexure prepared by the Company, initialed by us for identification purpose, states the possible special tax benefits available to the Company and to its Shareholders under the Income-tax Act, 1961 (the "**Act**") read with Income Tax Rules, 1962 (referred to as "**Direct Tax Law**") applicable for the Financial Year 2021-22 relevant to the Assessment Year 2022-23, presently in force in India as on the signing date. These possible special tax benefits are dependent on the Company or its Shareholders fulfilling the conditions prescribed under the relevant provisions of the Direct Tax Law. Hence, the ability of the Company and/or its Shareholders to derive these possible special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company and its Shareholders may or may not choose to fulfill.

The benefits discussed in the enclosed Annexure cover the possible special tax benefits available to the Company and its Shareholders and do not cover any general tax benefits available to the Company. Further, the preparation of the enclosed Annexure and its contents is the responsibility of the management of the Company. We were informed that the Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed Qualified Institutions Placement of equity shares of the Company (the "**Issue**") particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the possible special tax benefits, which an investor can avail. Neither we are suggesting nor advising the investors to invest money based on this Statement.

We conducted our examination in accordance with the "Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)" ('Guidance Note') issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

We have complied with the relevant applicable requirements of the Standard on Quality Control ('SQC') 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial information, and Other Assurance and Related Services Engagements.

We do not express any opinion or provide any assurance as to whether:

(a) the Company and its Shareholders will continue to obtain these possible special tax benefits in future; or

(b) the conditions prescribed for availing the possible special tax benefits where applicable, have been/would be met with.

The contents of enclosed Annexure are based on the information, explanation and representations obtained from the Company, and on the basis of our understanding of the business activities and operations of the Company.

Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to the Company and any other person in respect of this Statement, except as per applicable law.

This report is solely for your information and not intended for general circulation or publication and is not to be reproduced or used for any other purpose without our prior written consent, other than the purpose stated above. We, however, hereby, consent to this report being included in the preliminary placement document and the placement document in connection with the Issue, and submission of this report to the Securities and Exchange Board of India, the stock exchanges where the Equity Shares of the Company are listed, in connection with the Issue, as the case may be.

For **B S R & Co. LLP**
Chartered Accountants
ICAI firm registration number: 101248W /W-100022

Jayanta Mukhopadhyay
Partner
Membership No.: 055757
ICAI UDIN: 21055757AAAAEO1905
Place: Kolkata
Date: 02 November 2021

ANNEXURE

THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

Outlined below are the possible special tax benefits available to the Company (on a standalone basis) and its Shareholders under the Income-tax Act, 1961 (the "**Act**") read with Income Tax Rules, 1962 (referred to as "**Direct Tax Law**") applicable for the Financial Year 2021-22 relevant to the Assessment Year 2022-23. These possible special tax benefits are dependent on the Company or its Shareholders fulfilling the conditions prescribed under the Direct Tax Law. Hence, the ability of the Company or its Shareholders to derive the possible special tax benefits is dependent upon fulfilling such conditions, which are based on business imperatives it faces in the future, it may or may not choose to fulfill.

UNDER THE DIRECT TAX LAWS

A. Special tax benefits available to the Company

1. Benefit available under section 115BAA of the IT Act

- Section 115BAA of the IT Act, provides that a domestic company can opt for a tax rate of 22% (plus applicable surcharge and cess) from financial year ('FY') 2019-20 [relevant to assessment year ('AY') 2020-21] onwards, provided the total income of such company is computed without claiming certain specified incentives/ deductions, as specified under section 115BAA(2)(i), carry forward and set-off of certain losses in relation to deductions referred to in 115BAA(2)(i), additional depreciation, etc. and claiming of depreciation determined in the prescribed manner under section 115BAA(3) of the Act.
- Further, in case the Company opts for section 115BAA of the IT Act, the provisions of Minimum Alternate Tax ('MAT') under Section 115JB of the IT Act do not apply and the MAT credit of the earlier year(s) is not available for carry forward and set-off.
- We have been informed by the Company that it has opted for the concessional tax rate regime as aforesaid, from the AY 2020-2021. The option cannot be subsequently withdrawn for the same or any other tax year. Hence, the Company will continue to compute taxes at the rate of 22% (plus applicable surcharge and cess) under section 115BAA of IT Act as aforesaid.

2. Deduction in respect of inter corporate dividends - under section 80M of the IT Act

- A company availing the option under section 115BAA of IT Act is eligible to claim deduction under section 80M of the Act.
- In accordance with the provisions of Section 80M of the IT Act, deduction is available to a company against dividend income received from a domestic company or a foreign company or a business trust, to the extent dividend is distributed by the company up to one month prior to due date of furnishing the income-tax return under section 139(1) of IT Act for the relevant year.
- Further, no deduction is available against such sum in any other year.
- We understand that the Company would be contemplating of claiming this deduction from AY 2021-2022.

3. Deduction under section 80JJAA of the IT Act

- In accordance with and subject to fulfilment of conditions as laid out under section 80JJAA of the IT Act, the Company may be entitled to claim deduction of an amount equal to thirty per cent of additional employee cost (relating to specified category of employees) incurred in the course of business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided.

B. Special tax benefits available to Shareholders

1. There are no special tax benefits which may be available to the shareholders as per the provisions of the Act.

<u>Notes:</u>

- The above is as per the current tax laws, as amended by the Finance Act, 2021.

- The Statement sets out the provisions of tax laws in a summary manner only and is not a complete analysis or listing of all the existing and potential tax consequences on the Company.
- The tax benefits discussed in the Statement are not exhaustive and are only intended to provide general information to the investors and hence, is neither designed nor intended to be a substitute for professional tax advice.

***For* Saregama India Limited**

Vikram Mehra
Managing Director

Place: Kolkata
Date: 02 November 2021

UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

The following is a general description of certain material United States federal income tax consequences to U.S. Holders and Non-U.S. Holders under present law of the acquisition, ownership, and disposition of the Equity Shares pursuant to the Issue. This summary applies only to investors that hold the Equity Shares as capital assets (generally, property held for investment). This discussion is based on the United States Internal Revenue Code of 1986 as in effect on the date of this Preliminary Placement Document; U.S. Treasury regulations in effect on the date of this Preliminary Placement Document; judicial and administrative interpretations thereof available on or before such date; and the Convention Between the Government of the United States of America and the Government of the Republic of India for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (the "US India Treaty"). All of the foregoing authorities are subject to change, which change could apply retroactively and could affect the tax consequences described below.

The following discussion does not address alternative minimum tax considerations or state, local, non-United States, or non-income tax laws (such as the estate or gift tax laws), or the tax consequences to any particular investor or to persons in special tax situations such as:

- Banks, insurance companies, and other financial institutions;
- dealers in stocks, securities, currencies or notional principal contracts;
- former U.S. citizens and former long-term residents of the United States;
- regulated investment companies and real estate investment trusts;
- individual retirement accounts and other tax-deferred accounts;
- tax-exempt entities;
- U.S. Holders that have a functional currency other than the U.S. dollar;
- traders that elect to mark-to-market;
- persons holding an Equity Share as part of a straddle, hedging, conversion or integrated transaction;
- persons holding Equity Shares in connection with a trade or business;
- U.S. citizens and lawful permanent residents living outside the United States;
- persons that actually or constructively own 10% or more of the Company's stock;
- investors required to include certain amounts in income no later than the time such amounts are reflected on their financial statements;
- persons who acquired Equity Shares pursuant to the exercise of any employee share option or otherwise as consideration; or
- persons holding Equity Shares through partnerships or other pass-through entities.

For purposes of this summary, a "**U.S. Holder**" is a beneficial owner of Equity Shares that is for United States federal income tax purposes,

- an individual who is a citizen or resident of the United States;
- a corporation (or entity treated as a corporation for United States federal income tax purposes) organized under the laws of the United States, any state thereof or the District of Columbia;
- an estate whose income is subject to United States federal income taxation regardless of its source; or
- a trust that (1) is subject to the primary supervision of a court within the United States and the control of one or more U.S. persons for all substantial decisions of the trust, or (2) has a valid election in effect under the applicable U.S. Treasury regulations to be treated as a U.S. person.

A "**Non-U.S. Holder**" is a beneficial owner of Equity Shares that is not a U.S. Holder or partnership or other pass-through entity.

If you are a partner in a partnership, or other entity or arrangement treated as a partnership for United States federal income tax purposes, that holds Equity Shares, your tax treatment generally will depend on your status and the activities of the partnership. Prospective purchasers of Equity Shares that are partnerships should consult their tax advisors.

PROSPECTIVE PURCHASERS ARE URGED TO CONSULT THEIR TAX ADVISORS REGARDING THE APPLICATION OF THE UNITED STATES FEDERAL TAX RULES TO THEIR PARTICULAR CIRCUMSTANCES AS WELL AS THE STATE AND LOCAL, FOREIGN AND OTHER TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF EQUITY SHARES.

U.S. Holders

Taxation of Distributions on the Equity Shares

Subject to the PFIC rules discussed below, the gross amount of distributions to you with respect to the Equity Shares generally will be included in your gross income in the year received as foreign-source ordinary income, but only to the extent that the distribution is paid out of the Company's current or accumulated earnings and profits (as determined under U.S. federal income tax principles). To the extent that the amount of the distribution exceeds the Company's current and accumulated earnings and profits, it will be treated first as a tax-free return of your tax basis in your Equity Shares, and to the extent the amount of the distribution exceeds your tax basis, the excess will be taxed as capital gain. However, the Company does not intend to calculate its earnings and profits under United States federal income tax principles. Therefore, a U.S. Holder should expect that a distribution will generally be treated as a dividend. The dividends will not be eligible for the dividends-received deduction allowed to corporations in respect of dividends received from other U.S. corporations or, absent the corporate U.S. Holder meeting certain ownership thresholds, the dividends-received deduction available in respect of dividends received from certain foreign corporations.

Subject to applicable limitations, with respect to non-corporate U.S. Holders (including individual U.S. Holders), dividends may constitute "qualified dividend income" that is taxed at the lower applicable capital gains rate provided that (1) the Company is not a PFIC (as discussed below) for either the taxable year in which the dividend is paid or the preceding taxable year, (2) such dividend is paid on Equity Shares that have been held by you for at least 61 days during the 121-day period beginning 60 days before the ex-dividend date and certain other requirements are met, and (3) the Company is eligible for the benefits of the US India Treaty. The Company expects to be eligible for the benefits of the US India Treaty. Further, the Company does not believe it was a PFIC for the taxable year ending March 31, 2021 and does not expect to be a PFIC for the current year or any future years. *Non-corporate U.S. Holders are strongly urged to consult their tax advisors regarding the availability of the lower rate for dividends paid with respect to the Equity Shares.*

The amount of any distribution paid by the Company in a currency other than U.S. dollars, such as rupees, (a "foreign currency") will be equal to the U.S. dollar value of such foreign currency on the date such distribution is received by the U.S. Holder, regardless of whether the payment is in fact converted into U.S. dollars at that time. If the foreign currency so received is converted into U.S. dollars on the date of receipt, a U.S. Holder generally will not recognize foreign currency gain or loss on such conversion. If the foreign currency so received is not converted into U.S. dollars on the date of receipt, a U.S. Holder will have a basis in the foreign currency equal to its U.S. dollar value on the date of receipt. Gain or loss, if any, realized on the subsequent sale or other disposition of such foreign currency will generally be U.S.-source ordinary income or loss. The amount of any distribution of property other than cash will be the fair market value of such property on the date of distribution.

For U.S. federal income tax purposes, U.S. Holders will be treated as having received the amount of any non-U.S. taxes withheld with respect to a payment of dividends, and as then having paid over the withheld taxes to the relevant non-U.S. tax authorities. As a result of this rule, the amount of dividend income a U.S. Holder is required to include in gross income for U.S. federal income tax purposes with respect to a payment of dividends may be greater than the amount of cash actually received (or receivable) by such U.S. Holder with respect to the payment.

A U.S. Holder that is not eligible for the dividends-received deduction generally will be entitled, subject to certain limitations, to a credit against its U.S. federal income tax liability, or a deduction in computing its U.S. federal taxable income, for non-U.S. income taxes withheld with respect to distributions on the Equity Shares. U.S. Holders that are eligible for benefits under the U.S.-India Treaty will not be entitled to a foreign tax credit for the amount of any non-U.S. taxes withheld in excess of the applicable treaty rate. If the dividends are qualified dividend income (as discussed above), the amount of the dividend taken into account for purposes of calculating the foreign tax credit limitation will in general be limited to the gross amount of the dividend, multiplied by the reduced rate divided by the highest rate of tax normally applicable to dividends. For foreign tax credit purposes, dividends distributed with respect to the Equity Shares will generally constitute "passive category income". *The rules relating to the determination of the U.S. foreign tax credit are complex and U.S. Holders should consult their tax advisors to determine whether and to what extent a credit would be available in their particular circumstances.*

Taxation of a Disposition of Equity Shares

Subject to the PFIC rules discussed below, you generally will recognize capital gain or loss on any sale or other taxable disposition of an Equity Share equal to the difference between the U.S. dollar value of the amount realized for the Equity Share and your tax basis (in U.S. dollars) in the Equity Share. If you are a non-corporate U.S. Holder (including an individual U.S. Holder) who has held the Equity Share for more than one year, capital gain on a disposition of an Equity Share generally will be eligible for reduced U.S. federal income tax rates. The deductibility of capital losses is subject to limitations. Any such gain or loss that you recognize generally will be treated as U.S. source income or loss for foreign tax credit limitation purposes.

Because gains on a disposition of an Equity Share generally will be treated as U.S. source, the use of foreign tax credits relating to any Indian income tax imposed upon gains in respect of Equity Shares may be limited. U.S. Holders should consult their tax advisors regarding the application of Indian taxes to a disposition of an Equity Share and their ability to credit an Indian tax against their United States federal income tax liability. A U.S. Holder that receives foreign currency from the sale or disposition of the Equity Shares generally will realize an amount equal to the U.S. dollar value of such foreign currency on the date of sale or disposition or, if such U.S. Holder is a cash basis or electing accrual basis taxpayer and the Equity Shares are treated as being traded on an "established securities market" for this purpose, the settlement date. If the Equity Shares are so treated and the foreign currency received is converted into U.S. dollars on the settlement date, a cash basis or electing accrual basis U.S. Holder will not recognize foreign currency gain or loss on the conversion. If the foreign currency received is not converted into U.S. dollars on the settlement date, the U.S. Holder will have a basis in the foreign currency equal to its U.S. dollar value on the settlement date. Gain or loss, if any, realized on the subsequent conversion or other disposition of such foreign currency will generally be U.S. source ordinary income or loss.

Net Investment Income Tax

Certain U.S. Holders who are individuals, estates, or trusts are required to pay a 3.8% tax on all or part of that holder's "net investment income" or "undistributed net investment income" in the case of an estate or trust, which includes, among other items, dividends on, and capital gains from the sale or other taxable disposition of, the Equity Shares, subject to certain limitations and exceptions. The 3.8% net investment income tax is determined in a different manner than the regular U.S. income tax. Prospective investors should consult their own tax advisors regarding the effect, if any, of this tax on their ownership and disposition of the Equity Shares.

Information with Respect to Foreign Financial Assets

Individuals and certain entities who are U.S. Holders that own "specified foreign financial assets", including stock of a non-U.S. corporation not held through a financial institution, with an aggregate value in excess of certain dollar thresholds may be required to file an information report with respect to such assets on IRS Form 8938 with their United States federal income tax returns. Penalties apply for failure to properly complete and file IRS Form 8938. U.S. Holders are encouraged to consult their tax advisors regarding the application of this reporting requirement to their ownership of the Equity Shares.

Passive Foreign Investment Company

Certain U.S. federal income tax rules generally apply to a U.S. person that owns or disposes of stock in a non-U.S. corporation that is treated as a passive foreign investment company, or PFIC. A non-U.S. corporation is considered to be a PFIC, for any taxable year, if either:

- at least 75% of its gross income is passive income (as defined for purposes of the PFIC rules), or
- at least 50% of its assets (based on an average of the quarterly values of the assets during a taxable year) is attributable to assets that produce or are held for the production of passive income.

Passive income for these purposes generally includes dividends, interest, royalties, rents and gains from commodities and securities transactions, and cash and other liquid assets are considered held for the production of passive income. The Company will be treated as owning its proportionate share of the assets and earning its proportionate share of the income of any other corporation in which it owns, directly or indirectly, 25% or more (by value) of the stock.

Although not free from doubt, the Company does not believe it was a PFIC for its taxable year ending March 31, 2021, and does not expect to be a PFIC for the current year or any future years. Although a significant amount of the Company's income may be considered royalties, the PFIC rules do not treat as passive income rents and royalties derived in the active conduct of a trade or business from unrelated persons. As long as the Company meets this active conduct test, the rents and royalties it receives from unrelated persons would not be considered passive income and the assets used by the Company to produce the rents and royalties would not be considered to produce or to be held for the production of passive income. However, a determination of whether the Company is a PFIC is a factual determination made annually after the end of each taxable year, and so there can be no assurance that the Company will not be considered a PFIC in the current taxable year or any future taxable year. Furthermore, the Company's PFIC status may depend on the market price of its Equity Shares, which may fluctuate considerably, and on how, and how quickly, it uses its cash and other liquid assets, including those from this Issue. *Prospective purchasers are urged to consult their tax advisors regarding the Company's possible status as a PFIC.*

If the Company is a PFIC for any taxable year during which you are a U.S. Holder of Equity Shares, you will be subject to special tax rules with respect to any "excess distribution" that you receive and any gain you realize from a sale or other disposition (including a pledge) of the Equity Shares, unless you make a "mark-to-market" election as discussed below. Distributions you receive in a taxable year that are greater than 125% of the average annual distributions you received during the shorter of the three preceding taxable years or your holding period for the Equity Shares will be treated as an excess distribution. Under these special tax rules:

- the excess distribution or gain will be allocated ratably over your holding period for the Equity Shares,

- the amount allocated to the current taxable year, and any taxable year prior to the first taxable year in which the Company became a PFIC, will be treated as ordinary income, and

- the amount allocated to each other year will be subject to the highest tax rate in effect for that year and the interest charge generally applicable to underpayments of tax will be imposed on the resulting tax attributable to each such year.

The tax liability for amounts allocated to years prior to the year of disposition or "excess distribution" cannot be offset by any net operating losses for such years, and gains (but not losses) realized on the sale of the Equity Shares cannot be treated as capital, even if you hold the Equity Shares as capital assets.

If the Company is a PFIC for any year during which you are a U.S. Holder of Equity Shares, the Company generally will continue to be treated as a PFIC with respect to you for all succeeding years during which you hold Equity Shares, regardless of whether the Company in fact continues to meet the income or asset test described above.

In addition, if the Company is treated as a PFIC, to the extent any of its direct or indirect subsidiaries (if any) are also PFICs, you may be deemed to own shares in such subsidiaries (if any) and you may be subject to the adverse PFIC tax consequences with respect to the shares of such subsidiaries (if any) that you would be deemed to own.

Qualified electing fund election

To mitigate the application of the PFIC rules discussed above, a U.S. Holder may make an election to treat the Company as a qualified electing fund ("QEF") for U.S. federal income tax purposes. To make a QEF election, a U.S. Holder must receive from the Company certain information compiled according to U.S. federal income tax principles. The Company does not currently intend to prepare or provide the information that would enable you to make a QEF election.

Mark-to-market election

A U.S. Holder of "marketable stock" (as defined below) in a PFIC may make a mark-to-market election with respect to such stock to elect out of the tax treatment discussed above, although it is possible the mark-to-market election may not apply or be available with respect to the shares in the Company's subsidiaries (if any) to the extent they are PFICs that you may be deemed to own if the Company is treated as a PFIC, as discussed above. If you make a valid mark-to-market election for the Equity Shares, you will include in income each year an amount equal to the excess, if any, of the fair market value of the Equity Shares as of the close of your taxable year over your adjusted basis in such Equity Shares. You are allowed a deduction for the excess, if any, of the adjusted basis of the Equity Shares over their fair market value as of the close of the taxable year. However, deductions are allowable only to the extent of any net mark-to-market gains on the Equity Shares included in your income for prior taxable years. Amounts included in your income under a mark-to-market election, as well as gain on the actual sale or other disposition of the Equity Shares, are treated as ordinary income. Ordinary loss treatment also applies to the deductible portion of any mark-to market loss on the Equity Shares, as well as to any loss realized on the actual sale or disposition of the Equity Shares, to the extent that the amount of such loss does not exceed the net mark-to-market gains previously included for such Equity Shares. Your basis in the Equity Shares will be adjusted to reflect any such income or loss amounts. If you make such an election, the tax rules that apply to distributions by corporations that are not PFICs generally would apply to distributions by the Company, except that the lower applicable capital gains rate with respect to qualified dividend income (discussed above) would not apply.

The mark-to-market election is available only for "marketable stock", which is stock that is traded in other than de-minimis quantities on at least 15 days during each calendar quarter on a qualified exchange or other market, as defined in the applicable U.S. Treasury regulations. Under applicable U.S. Treasury regulations, a "qualified exchange" includes a foreign exchange that is regulated by a governmental authority in the jurisdiction in which the exchange is located and in respect of which certain other requirements are met. *U.S. Holders of Equity Shares should consult their own tax advisors as to whether the Equity Shares would qualify for the mark-to-market election.*

PROSPECTIVE PURCHASERS ARE URGED TO CONSULT THEIR TAX ADVISOR REGARDING THE APPLICATION OF THE PFIC RULES TO THEIR INVESTMENT IN EQUITY SHARES, AND THE AVAILABILITY AND ADVISABILITY OF ANY ELECTIONS.

Non-U.S. Holders

A Non-U.S. Holder generally should not be subject to U.S. federal income or withholding tax on any distributions made on the Equity Shares or gain from the sale, redemption or other disposition of the Equity Shares unless: (i) that distribution and/or gain is effectively connected with the conduct by that Non-U.S. Holder of a trade or business in the United States; or (ii) in the case of any gain realized on the sale or exchange of an Equity Share by an individual Non-U.S. Holder, that Non-U.S. Holder is present in the United States for 183 days or more in the taxable year of the sale, exchange or other disposition and certain other conditions are met.

Information Reporting and Backup Withholding

Dividend payments with respect to Equity Shares and proceeds from the sale, exchange or redemption of Equity Shares may be subject to information reporting to the Internal Revenue Service and possible U.S. backup withholding under certain circumstances.

Backup withholding will not apply, however, to a U.S. Holder who furnishes a correct taxpayer identification number and makes any other required certifications or who is otherwise exempt from backup withholding. U.S. Holders who are required to establish their exempt status generally must provide such certification on Internal Revenue Service Form W-9. U.S. Holders should consult their tax advisors regarding the application of the U.S. information reporting and backup withholding rules. Non-U.S. Holders may be required to comply with applicable certification procedures to establish that they are not U.S. Holders in order to avoid the application of such information reporting requirements and backup withholding.

Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against your U.S. federal income tax liability, and you may obtain a refund of any excess amounts withheld under the backup withholding rules by timely filing the appropriate claim for refund with the Internal Revenue Service and furnishing any required information.

U.S. Holders that hold Equity Shares in any year in which the Company is a PFIC will be required to file Internal Revenue Service Form 8621 with respect to their ownership of the Equity Shares. This filing requirement is in addition to a U.S. Holder's obligation to file other Internal Revenue Service forms with respect to our common shares, including Form 8938. In addition, U.S. Holders may be required to file additional information with respect to their ownership of the Equity Shares.

LEGAL PROCEEDINGS

We are involved in various legal proceedings from time to time, mostly arising in the ordinary course of business. These legal proceedings are primarily in the nature of, amongst others, tax disputes, criminal proceedings and civil proceedings, which are pending before various adjudicating forums.

As on the date of this Preliminary Placement Document, except as disclosed below, there is no outstanding legal proceeding which has been considered material in accordance with our Company's policy in relation to disclosure of material events framed in accordance with Regulation 30 of the SEBI Listing Regulations.

*However, solely for the purpose of the Issue, our Company has disclosed in this section, to the extent applicable (i) all outstanding criminal proceedings involving our Company, our Subsidiaries, our Directors and our Promoter; (ii) all outstanding actions by statutory or regulatory authorities against our Company and our Subsidiaries; (iii) outstanding civil proceedings involving our Company and its Subsidiaries, where the amount involved in such proceeding exceeds ₹ 567.32 lakh i.e., 5% of profit after tax, on a consolidated basis for Fiscal 2021 ("**Materiality Threshold**"); (iv) consolidated disclosure of the direct and indirect tax matters involving our Company and our Subsidiaries; (v) any other outstanding litigation involving our Company and our Subsidiaries wherein the amount involved cannot be determined or is below the Materiality Threshold, but an adverse outcome of which could materially and adversely affect the reputation, operations or financial position of our Company or its Subsidiaries and (vi) any other outstanding litigation involving our Promoter and our Directors wherein an adverse outcome could materially and adversely affect the reputation, operations or financial position of our Company and our Subsidiaries (as a whole).*

Further, as on the date of this Preliminary Placement Document, other than as disclosed in this section: (i) there is no litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against our Promoter during the last three years immediately preceding the year of circulation of this Preliminary Placement Document and no directions have been issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action; (ii) there are no inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or the Companies Act, 1956 in the last three years immediately preceding the year of circulation of this Preliminary Placement Document involving our Company or our Subsidiaries, nor are there any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of this Preliminary Placement Document involving our Company or Subsidiaries; (iii) there are no defaults in repayment of (a) undisputed statutory dues; (b) debentures and interest thereon; (c) deposits and interests thereon and (d) any loan obtained from any bank or financial institution and interest thereon by our Company, as of the date of this Preliminary Placement Document; (iv) there are no material frauds committed against us in the last three years; (v) there are no defaults in annual filing of our Company under the Companies Act, 2013 and the rules made thereunder; (vi) there are no significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations; or (vii) other than as disclosed in "Management's Discussion and Analysis of Financial Condition and Results of Operations - Reservations, Qualifications and Adverse Remarks Included in Financial Statements" on page 120, there are no reservations, qualifications or adverse remarks of auditors in the last five Fiscals immediately preceding the year of circulation of this Preliminary Placement Document.

It is clarified that for the purposes of the above, pre-litigation notices received by any of our Company, our Subsidiaries, our Directors and/or our Promoter from third parties (excluding statutory / regulatory / governmental authorities or notices threatening criminal action) shall, not be considered as litigation proceedings till such time that any of our Company, our Subsidiaries, our Directors and/or our Promoter, are impleaded as parties in any such litigation proceedings before any court, tribunal or governmental authority, or is notified by any governmental, statutory or regulatory authority of any such proceeding that may be commenced.

Capitalised terms used herein shall, unless otherwise specified, have the meanings ascribed to such terms in this section.

Litigation involving our Company

Criminal proceedings involving our Company

<u>By our Company</u>

1. Our Company has registered a first information report ("**FIR**") on February 26, 2020 at DB Marg Police Station, Mumbai under Section 51 and 63 of the Copyright Act, 1957 against Mayur Electronics ("**Accused**") for selling counterfeit Carvaan, a product of our Company, in the shop of the Accused located at DB Marg, Grant Road East, Mumbai. The matter is currently pending.

2. Our Company, in the ordinary course of business, has initiated four proceedings aggregating to an amount of ₹ 56.70 lakh against defaulting customers under section 138 of the Negotiable Instruments Act. Such proceedings are pending before various adjudicating forums.

<u>Against our Company</u>

1. Zee Entertainment Enterprises Limited ("**Complainant**") filed a criminal complaint ("**Complaint**") on December 19, 2017 with the Gamdevi Police Station, Mumbai ("**Police Station**") against our Company and three of our employees ("**Accused**") for cheating, causing wrongful loss and forgery of valuable security. Our Company and the Complainant had entered into a music license agreement dated May 15, 2015 ("**Agreement**") wherein a non-exclusive license was granted to the Complainant in respect of the sound recordings/songs and music videos for which the copyright lies with our Company. The Complainant in the Complaint has alleged that the Accused have misrepresented themselves in the Agreement and that our Company does not have copyright to all songs identified in the Agreement thereby inducing the Complainant to deliver property to the tune of ₹ 415 lakh based on cheating, false assurances and representations. Pursuant to an an order dated October 29, 2018 ("**Order**") of the Additional Metropolitan Magistrate, 40th Court, Girgaon, Mumbai ("**Magistrate Court**"), the Police Station was directed to register a first information report based on the Complaint. On the basis of the Order, a first information report dated November 26, 2018 ("**FIR**") was registered against our Company by the Police Station under Sections 417, 418, 420, 465, 468 and 471 read with Section 120-B and Section 34 of the Indian Penal Code,1860.

   However, prior to the registration of the FIR, the individual Accused ("**Applicant**") in the Complaint filed an application for anticipatory bail ("**Application**") under Section 438 of the Criminal Procedure Code, 1973 before the Sessions Court at Greater Bombay. The Application was allowed in the case of each Applicant, by an order dated November 14, 2018 ("**Interim Order**"), on the execution of personal bond of Rs. 1.00 lakh along with imposition of certain other conditions. While observing that the current matter appears to be civil in nature, the Sessions Court at Greater Bombay, by an order dated December 5, 2019, confirmed the Interim Order Thereafter, the Police Station has filed a C-summary report, under Rule 219 (3) of the Bombay Police Manual, 1959, i.e. the case is neither true nor false and has been filed due to mistake of fact or the matter is of civil nature. The case is currently pending before the Magistrate Court.

Material civil litigation involving our Company

<u>By our Company</u>

1. A civil suit no. 405 of 2014 ("**Suit**") was filed on November 20, 2014 by our Company against Trilogic Digital Media Limited ("**Defendant**") before the High Court of Calcutta for, *inter alia,* a decree of perpetual injunction restraining the Defendant from infringing the copyright of our Company in sound recordings, literary works, musical works, visual recordings or its content and recovery of an amount of ₹ 2,200 lakh being the minimum guarantee amount ("**MGA**") receivable, together with interest at the rate of 18% per annum from January 1, 2014 till May 6, 2014, pursuant to the short form agreement dated December 31, 2013, entered into by our Company with the Defendant ("**Agreement**"). Pursuant to the Agreement, our Company (as the licensor) granted to the Defendant the exclusive right and authorisation, for a period of 38 months, to allow broadcasters and their contractors to synchronise and communicate to the public, the licensed works as part of television programs and private FM radio stations but excluding visual advertisements and feature films. Further, as per the terms of the Agreement, the MGA was payable every year by the Defendant and in case the agreement was terminated within the first year, the Defendant was liable to pay the MGA payable for the first year i.e. ₹ 2,200 lakh.

   As per the terms of the Agreement, the parties were required to enter into a long form agreement within 60 days of signing the Agreement. However, the long form agreement was not entered into even after three months had elapsed from date of signing of the Agreement and the Defendant was continuing to enjoy and exploit the rights granted under the Agreement. By a notice dated May 7, 2014, our Company terminated the Agreement and called upon the Defendant to cease and desist from the use of works/content licensed to the Defendant by our Company. Thereafter, the Defendant disputed the validity of the Agreement and the claims of our Company. Accordingly, the current Suit was filed by our Company which is pending before the High Court of Calcutta.

Against our Company

1. An application was filed by the Life Insurance Corporation of India ("**Original Applicant**") before the Estate Officer praying for the eviction of our Company from T.C. No. 1229, ground floor, 2nd and 3rd floor, Universal Insurance building, Sir P.M. Road, Fort, Mumbai ("**Premises**") along with recovery of arrears of rent from June 2011 to May 2013 and recovery of damages with interest for the alleged unauthorised occupation of the Premises under the provisions of the Public Premises (Eviction of Unauthorized Occupants) Act, 1971 ("**Act**") ("**Eviction Application**"). The Estate Officer, *vide* order dated May 31, 2017 ("**Order**"), directed the eviction of our Company from the premises along with payment of arrears of rent amounting to ₹ 555.64 lakh plus 9% interest per annum and damages of ₹ 1,490.42 lakh plus 9% interest per annum. Aggrieved by the Order, our Company filed an appeal no. 6253 of 2017 in case no. 101 and 101A of 2014 ("**Appeal**") before the City Civil Court at Bombay ("**Appellate Court**") to quash and set aside the Order and to stay the operation and execution of the Order pending the hearing and disposal of the Appeal. The Appeal was filed by our Company on the grounds that, *inter alia*, the Estate Officer did not have the jurisdiction to entertain the Eviction Application as the Premises was not covered under the Act and our Company was exempted from the application of the Act in terms of the judgement of Supreme Court of India in Suhas H. Pophale v. Oriental Insurance Company Limited and its Estate Officer ("**SC Judgement**") as it was in occupation of the Premises prior to September 16, 1958. On June 20, 2017, the Appellate Court directed our Company ("**Arrears Order**") to deposit the arrears of rent with effect from June 1, 2011, in four weekly instalments. The Arrears Order was challenged by our Company before the High Court of Bombay which was partly allowed and by order dated June 23, 2017 our Company was directed to deposit only half of the amount directed to be paid in the Arrears Order in four monthly instalments. Thereafter, the Appellate Court by its order dated January 19, 2018 observed that the SC Judgement has been referred to a larger bench of the Supreme Court of India and accordingly the Appeal would be kept pending till the issues related to the SC Judgement are finally decided by the Supreme Court. Therefore, the Appeal is currently pending before the Appellate Court.

Litigation involving our Subsidiaries

There are no civil cases involving our Subsidiaries where the amount exceeds the Materiality Threshold or the outcome of which could have a material adverse outcome on the position, business or operations of our Company. Further, there are no criminal cases involving our Subsidiaries. There are no litigation or legal action pending or taken against our Subsidiaries by any Ministry or Department of the Government or any statutory authority.

Tax proceedings

We have set out below claims relating to direct and indirect taxes involving our Company and our Subsidiaries in a consolidated manner giving details of number of cases and total amount involved in such claims:

Nature of case	Number of cases	Amount involved (in ₹ lakh)
Company		
Direct Tax	11	2,808.68
Indirect Tax	23	463.63
Subsidiaries		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil

INDEPENDENT AUDITORS

B S R & Co. LLP, Chartered Accountants, are Statutory Auditors with respect to our Company, as required by the Companies Act and in accordance with the guidelines issued by the ICAI.

The consolidated financial statements of our Company as of March 31, 2021, 2020 and 2019, and for the years then ended, included in this Preliminary Placement Document, have been audited by B S R & Co. LLP, Chartered Accountants, Independent Auditors, as stated in their reports included in "*Financial Statements*" beginning on page 254, which contain other matters paragraphs that state their reports are based upon reports of other auditors.

With respect to the unaudited condensed consolidated interim financial statements for the period ended September 30, 2021, included in this Preliminary Placement Document, B S R & Co. LLP, Chartered Accountants, Independent Auditors, has reported that they applied limited procedures in accordance with professional standards for a review of such information. However, their report included in "*Financial Statements*", beginning on page 235 which contains other matters paragraphs that state their report is based upon report issued by other auditors and that the financial statements of five Subsidiaries (including one step-down Subsidiary) have not been reviewed and that they did not audit and they do not express an opinion on that interim financial information. Accordingly, the degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied.

For more details, please see "*Financial Statements*" beginning on page 234.

GENERAL INFORMATION

1. Our Company was originally incorporated on August 13, 1946 in West Bengal as 'The Gramophone Company (India) Limited', a private limited company under the Companies Act, 1913 pursuant to a certificate of incorporation issued by the Registrar of Joint Stock Companies, Bengal. Subsequently, the name of our Company was changed to 'The Gramophone Company of India Limited' pursuant to a certificate of alteration in the name of our Company dated April 2, 1947 issued by the Assistant Registrar, Joint Stock Companies, Bengal. The word 'Private' was later added to the certificate of incorporation dated August 13, 1946 in the name of 'The Gramophone Company (India) Private Limited' was endorsed by the Assistant Registrar of Companies, West Bengal on April 3, 1956. Further, the word 'Private' was added to the name of our Company with effect from April 1, 1956 and a second certificate of incorporation was issued by the Assistant Registrar of Companies, West Bengal on December 4, 1964 in the name of 'The Gramophone Company of India (Private) Limited'. Thereafter, our Company was converted into a public limited company and the name of our Company was changed to 'The Gramophone Company of India Limited' pursuant to a fresh certificate of incorporation consequent on change of name issued to our Company dated November 4, 1968 by the Assistant Registrar of Companies, West Bengal. On November 3, 2000, the name of our Company was changed to 'Saregama India Limited' and a fresh certificate of incorporation consequent on name change was issued to our Company by the RoC.

2. The Registered and Corporate Office of our Company is situated at 33, Jessore Road, Dum Dum, Kolkata – 700 028, West Bengal, India

3. The CIN of our Company is L22213WB1946PLC014346.

4. The Board of Directors has authorized the Issue in their meeting held on September 16, 2021 and it has been approved by our shareholders through Extra-ordinary General Meeting through VC / OAVM facility on October 19, 2021.

5. The Equity Shares are listed on BSE and NSE.

6. The website of our Company is www.saregama.com.

7. The authorized share capital of our Company as of the date of this Preliminary Placement Document is ₹ 25,00,00,000 divided into 2,50,00,000 Equity Shares of ₹ 10 each. Our issued, subscribed and paid up equity share capital as of the date of this Preliminary Placement Document is ₹ 17,43,00,120 divided into 1,74,30,012 Equity Shares of ₹ 10 each.

8. Our Company has received in-principle approvals under Regulation 28(1) of the SEBI Listing Regulations from BSE and NSE on November 2, 2021. We will apply for final listing and trading approvals of the Equity Shares on BSE and NSE.

9. For the main objects of our Company, please refer to Memorandum of Association. Copies of Memorandum and Articles of Association will be available for inspection between 11:00 am to 1:00 pm on all working days, except Saturdays during the Bid/Issue Period at the Registered and Corporate Office.

10. Our Company has obtained necessary consents, approvals and authorizations, wherever applicable, in connection with the Issue.

11. Except as disclosed in this Preliminary Placement Document, there are no material litigation or arbitration proceedings pending against or affecting us, or our assets or revenues, nor are we aware of any pending or threatened litigation or arbitration proceedings, which may have a material adverse effect on the Issue. For further details, see "*Legal Proceedings*" on page 227.

12. There have been no defaults in the annual filings of our Company under the Companies Act or the rules made thereunder.

13. Except as disclosed in this Preliminary Placement Document, there has been no material change in the financial or trading position of our Company since the date of the Unaudited Condensed Consolidated Interim Financial Statements, which has been included in this Preliminary Placement Document.

14. Our Company confirms that it is in compliance with the requirement of minimum public shareholding requirements as required in terms of the SEBI Listing Regulations, SCRA and SCRR.

15. The Floor Price for the Equity Shares under the Issue is ₹ 4,264.68 per Equity Share which has been calculated in accordance with Regulation 176 of the SEBI ICDR Regulations. Our Company may offer a discount of not more than 5% on the Floor Price in terms of Regulation 176(1) of the SEBI ICDR Regulations in accordance with the approval of the shareholders accorded through Extra-ordinary General Meeting through VC / OAVM facility on October 19, 2021 and in terms of Regulation 176(1) of the SEBI ICDR Regulations.

16. Our Company and the BRLM accept no responsibility for statements made otherwise than in this Preliminary Placement Document and anyone placing reliance on any other source of information, including our website, would be doing it at his or her own risk.

17. Kamana Goenka is the Company Secretary and Compliance Officer of our Company. Her details are as follows:

    Kamana Goenka
    Company Secretary and Compliance Officer
    2nd Floor, Spencer Building, 30 Forjett Street, Grant Road (West)
    Mumbai 400 036, Maharashtra, India
    Telephone: +91 22 6688 6200
    E-mail: co.sec@saregama.com

PROPOSED ALLOTTEES IN THE ISSUE

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment shall be made by the Company, in consultation with the BRLM, to Eligible QIBs only, on a discretionary basis.

The names of the proposed Allottees and the percentage of post-Issue capital (assuming that the Equity Shares are Allotted to them pursuant to this Issue) that may be held by them in our Company is set forth below.

No.	Name of the proposed Allottee	Percentage of post-Issue paid-up Equity Share capital*
1.	[●]	[●] %
2.	[●]	[●] %
3.	[●]	[●] %
4.	[●]	[●] %
5.	[●]	[●] %
	Total	**[●]** %

**Subject to receipt of funds and allotment in the Issue. The above table has been intentionally left blank and shall be updated in the Placement Document.*

These details of the proposed Allottees, assuming that the Equity Shares are Allotted to them pursuant to this Issue, will be included in the Placement Document to be sent to such proposed Allottees.

FINANCIAL STATEMENTS

S No	Financial Statements	Page Nos.
A.	Unaudited Condensed Consolidated Interim Financial Statements for the six months period ended September 30, 2021 along with limited review report issued	235-253
B.	Audited consolidated financial statements as at and for the year ended March 31, 2021 along with audit report issued	254-305
C.	Audited consolidated financial statements as at and for the year ended March 31, 2020 along with audit report issued	306-355
D.	Audited consolidated financial statements as at and for the year ended March 31, 2019 along with audit report issued	356-404

B S R & Co. LLP

Chartered Accountants

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Sector V, Salt Lake, Kolkata - 700091

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Report on Review of the Unaudited Condensed Consolidated Interim Financial Statements

To the Board of Directors of
Saregama India Limited

1. We have reviewed the accompanying unaudited condensed consolidated interim financial statements of Saregama India Limited (the "Parent Company") and its subsidiaries (the Parent Company and its subsidiaries together referred to as the "Group") for the six months period ended 30 September 2021, which comprise the condensed consolidated interim balance sheet as at 30 September 2021,the condensed consolidated interim statement of profit and loss, the condensed consolidated interim statement of changes in equity and the condensed consolidated interim statement of cashflows for the six months period ended 30 September 2021 and notes to the unaudited condensed consolidated interim financial statements including a summary of significant accounting policies and other explanatory information (together referred to as 'unaudited condensed consolidated interim financial statements').

2. Management is responsible for the preparation and presentation of this unaudited condensed consolidated interim financial statements in accordance with the Indian Accounting Standard 34 "Interim Financial Reporting" (Ind AS 34) prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on this unaudited condensed consolidated interim financial statements based on our review.

Scope of review

3. We conducted our review of the unaudited condensed consolidated interim financial statements in accordance with the Standard on Review Engagements (SRE) 2410 *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity"*, issued by the Institute of Chartered Accountants of India. A review of unaudited condensed consolidated interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

B S R & Co. LLP KOLKATA Chartered Accountants

4. The unaudited condensed consolidated interim financial statements include the unaudited financial information of the following entities:

Parent:

Saregama India Limited

Subsidiaries:

a. Kolkata Metro Networks Limited
b. Open Media Network Private Limited
c. RPG Global Music Limited
d. Saregama Limited (formerly known as Saregama Plc.)
e. Saregama FZE
f. Saregama Inc. (Step-down subsidiary of Saregama India Limited)

Conclusion

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review report of the other auditor referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying unaudited condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with Ind AS 34 and other accounting principles generally accepted in India.

Other matters

6. We did not review the unaudited interim financial information of one subsidiary, included in this unaudited condensed consolidated interim financial statement, whose unaudited interim financial information reflect total assets of Rs. 560.57 Lakhs (before consolidation adjustments) as at 30 September 2021, total revenues of Rs. 852.43 Lakhs (before consolidation adjustments), total net loss after tax of Rs. 0.98 Lakh (before consolidation adjustments) and total comprehensive income of Rs. 0.42 Lakh (before consolidation adjustments) for the six months period ended 30 September 2021, and net cash outflows of Rs. 81.76 Lakhs for the six months period 30 September 2021, as considered in this unaudited condensed consolidated interim financial statements. This unaudited interim financial information has been reviewed by other auditor whose report has been furnished to us by the management and our conclusion on the unaudited condensed consolidated interim financial statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on the report of the other auditor and the procedures performed by us as stated in paragraph 3 above.

Our conclusion on the unaudited condensed consolidated interim financial statements is not modified in respect of the above matter.

B S R & Co. LLP
KOLKATA
Chartered Accountants

7. The unaudited condensed consolidated interim financial statements include the interim financial information of five subsidiaries (including one step-down subsidiary) which have not been reviewed, whose interim financial information reflect total assets of Rs 4,864.34 Lakhs (before consolidation adjustments) as at 30 September 2021 and total revenues of Rs. 664.80 Lakhs (before consolidation adjustments), total net profit after tax of Rs. 16.54 Lakhs (before consolidation adjustments) and total comprehensive income of Rs. 1,250.16 Lakhs (before consolidation adjustments) for the six months period ended 30 September 2021, and net cash inflows of Rs. 171.32 Lakhs for the six months period ended 30 September 2021, as considered in the unaudited condensed consolidated interim financial statements. According to the information and explanations given to us by the management, these interim financial information are not material to the Group.

Our conclusion on the unaudited condensed consolidated interim financial statements is not modified in respect of the above matter.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

B S R & Co. LLP KOLKATA Chartered Accountants

Jayanta Mukhopadhyay
Partner
Membership No.: 055757
UDIN: 21055757AAAAEN9627

Place: Kolkata
Date: 02 November 2021

SAREGAMA INDIA LIMITED
Condensed Consolidated Interim Balance Sheet as at 30 September 2021
(Amount in Rupees lakhs, except otherwise stated)

Particulars	Notes	As at 30 September 2021	As at 31 March 2021
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	3	21,422.93	20,457.87
(b) Right-of-use assets		90.14	109.46
(c) Investment properties		222.26	225.03
(d) Intangible assets	4	2,523.22	1,794.01
(e) Intangible assets under development		146.16	195.02
(f) Financial assets			
(i) Investments	5	18,641.63	11,141.20
(ii) Other financial assets		194.12	193.89
(g) Other non-current assets		1,475.10	1,116.92
Total non-current assets		44,715.56	35,233.40
(2) Current assets			
(a) Inventories		8,748.89	6,919.31
(b) Financial assets			
(i) Investments	6.1	-	2,516.38
(ii) Trade receivables		8,969.09	8,735.30
(iii) Cash and cash equivalents	6.2	4,801.62	1,113.49
(iv) Bank balances other than (iii) above	6.3	10,393.14	13,383.87
(v) Loans	6.4	1,832.02	923.58
(vi) Other financial assets		724.40	420.17
(c) Current tax assets (net)		1,943.05	1,966.07
(d) Other current assets		9,524.69	7,188.63
Total current assets		46,936.90	43,166.80
TOTAL ASSETS		91,652.46	78,400.20
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital		1,743.00	1,742.80
(b) Other equity		62,630.28	48,835.89
Equity Attributable to Owners of the Company		64,373.28	50,578.69
Non-controlling interest		330.92	313.07
Total equity		64,704.20	50,891.76
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities		55.55	74.64
(b) Employee benefit obligations		455.97	419.45
(c) Deferred tax liabilities (net)		6,101.22	5,052.33
Total non-current liabilities		6,612.74	5,546.42
(2) Current liabilities			
(a) Financial liabilities			
(i) Lease liabilities		37.31	35.58
(ii) Trade payables			
a) Total outstanding dues of micro enterprises and small enterprises		1.29	1.37
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		5,490.00	5,629.03
(iii) Other financial liabilities		3,388.17	6,477.22
(b) Other current liabilities	7	2,976.37	2,549.91
(c) Provisions	8	8,323.05	7,094.07
(d) Employee benefit obligations		119.33	174.84
Total current liabilities		20,335.52	21,962.02
TOTAL LIABILITIES		26,948.26	27,508.44
TOTAL EQUITY AND LIABILITIES		91,652.46	78,400.20

The accompanying notes 1 to 17 are an integral part of these condensed consolidated interim financial statements
As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Jayanta Mukhopadhyay
Partner
Membership Number: 055757

Place: Kolkata
Date: 02 November 2021

For and on behalf of the Board of Directors of
Saregama India Limited
CIN : L22213WB1946PLC014346

Vikram Mehra
Managing Director
DIN: 03556680

Noshir Naval Framjee
Director
DIN: 01646640

Deepak Jain
Interim Chief Financial Officer

Kamana Goenka
Company Secretary
ACS: 35161

Place: Kolkata
Date: 02 November 2021

Place: Kolkata
Date: 02 November 2021

SAREGAMA INDIA LTD.

B S R & Co. LLP KOLKATA Chartered Accountants

SAREGAMA INDIA LIMITED

Condensed Consolidated Interim Statement of Profit and Loss for the six months period ended 30 September 2021

(Amount in Rupees lakhs, except otherwise stated)

	Particulars	Notes	Six months period ended 30 September 2021	Six months period ended 30 September 2020
I	Revenue from operations	9	25,004.71	18,459.67
II	Other income		795.30	881.15
III	**Total income (I+II)**		25,800.01	19,340.82
IV	**Expenses**			
	Cost of material consumed/ Contract manufacturing charges		1,983.96	86.49
	Cost of production of films and television serials		3,989.16	1,410.67
	Changes in inventories of finished goods and work-in-progress [(increase)/decrease]		(1,066.29)	1,001.20
	Employee benefits expense		3,750.15	3,540.84
	Finance costs		209.16	176.29
	Depreciation and amortisation expense		506.04	253.07
	Other expenses	10	8,215.70	6,847.23
	Total expenses (IV)		17,587.88	13,315.79
V	**Profit before tax (III-IV)**		8,212.13	6,025.03
VI	Tax expense			
	- Current tax		2,144.61	1,585.64
	- Deferred tax credit		(45.89)	(29.18)
	Total tax expense (VI)		2,098.72	1,556.46
VII	**Profit for the period (V-VI)**		6,113.41	4,468.57
VIII	**Other comprehensive income**			
	Items that will be reclassified to profit or loss:			
	(a) Exchange differences on translation of foreign operations		11.28	(9.97)
	Items that will not be reclassified subsequently to profit or loss:			
	(a) Remeasurements of post-employment benefit obligations		(5.35)	(18.47)
	(b) Changes in fair value of equity instruments designated at FVOCI		7,500.43	3,527.60
	(c) Revaluation gains relating to property,plant and equipment		959.44	-
	(d) Income tax relating to items that will not be reclassified subsequently to profit or loss		(1,095.95)	(405.90)
	Other comprehensive income for the period, net of tax (VIII)		7,369.85	3,093.26
IX	**Total comprehensive income for the period (VII+VIII)**		13,483.26	7,561.83
	Profit for the period attributable to :-			
	(a) Owners of the Company		6,099.65	4,394.55
	(b) Non-Controlling Interest		13.76	74.02
	Other comprehensive income for the period attributable to :-			
	(a) Owners of the Company		7,365.76	3,096.10
	(b) Non-Controlling Interest		4.09	(2.84)
	Total comprehensive income for the period attributable to :-			
	(a) Owners of the Company		13,465.41	7,490.65
	(b) Non-Controlling Interest		17.85	71.18
X	**Earnings per equity share:**[Nominal value per share **Rs.10** (previous period- Rs.10)] #			
	Basic (Rs.)	11	35.15	25.58
	Diluted (Rs.)	11	35.08	25.41

#Figures for six months are not annualised.

The accompanying notes 1 to 17 are an integral part of these condensed consolidated interim financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Jayanta Mukhopadhyay
Partner
Membership Number: 055757

Place: Kolkata
Date: 02 November 2021

B S R & Co. LLP KOLKATA Chartered Accountants

SAREGAMA INDIA LTD.

For and on behalf of the Board of Directors of
Saregama India Limited
CIN : L22213WB1946PLC014346

Vikram Mehra
Managing Director
DIN: 03556680

Noshir Naval Framjee
Director
DIN: 01646640

Deepak Jain
Interim Chief Financial Officer

Kamana Goenka
Company Secretary
ACS: 35161

Place: Kolkata
Date: 02 November 2021

Place: Kolkata
Date: 02 November 2021

SAREGAMA INDIA LIMITED
Condensed Consolidated Interim Statement of Changes in Equity for the six months period ended 30 September 2021
(Amount in Rupees lakhs, except otherwise stated)

A. Equity share capital

Description	Number of shares	Amount
As at 1 April 2020	1,74,26,012	1,742.60
Changes in equity share capital*	2,000	0.20
As at 31 March 2021	1,74,28,012	1,742.80
Changes in equity share capital*	2,000	0.20
As at 30 September 2021	1,74,30,012	1,743.00

*2,000 (31 March 2021 - 2,000) ordinary shares were issued as a result of the exercise of vested options arising from Saregama Employee Stock Option Scheme 2013. The weighted average share price of shares arising upon exercise of Options for the period ended 30 September 2021 based on the closing market price on NSE was Rs.3,935.95 (31 March 2021 - Rs 517.60)

B. Other equity

Particulars	Reserve and surplus							Item of Other Comprehensive Income (OCI)			Non controlling Interest	Total other equity
	Capital reserve	General reserve	Securities premium	Share options outstanding reserve	Treasury Shares	Saregama Welfare Trust Reserve	Retained earnings	Revaluation surplus	Equity instruments through OCI	Other items of OCI (FCTR)		
Balance at 1 April 2020	55.19	693.95	10,272.44	535.43	(764.32)	-	13,765.46	10,347.90	3,135.22	95.20	224.86	38,361.33
Profit for the period	-	-	-	-	-	-	4,394.55	-	-	-	74.02	4,468.57
Other comprehensive income for the period (net of tax)	-	-	-	-	-	-	(13.48)	-	3,116.71	(7.13)	(2.84)	3,093.26
Total comprehensive income for the period	-	-	-	-	-	-	4,381.07	-	3,116.71	(7.13)	71.18	7,561.83
Issue of equity shares under Saregama Employee Stock Option	-	-	4.67	-	-	-	-	-	-	-	-	4.67
Employee stock option expense	-	-	-	69.08	-	-	-	-	-	-	-	69.08
Effect of modification of share based payment awards	-	-	-	150.61	-	-	-	-	-	-	-	150.61
Purchase of treasury shares by the trust during the period	-	-	-	-	(512.48)	-	-	-	-	-	-	(512.48)
Transfer on account of exercise/lapse of options	-	-	-	(2.84)	-	-	2.84	-	-	-	-	-
Final dividend on equity shares for the financial year 2019-20	-	-	-	-	-	-	(261.39)	-	-	-	-	(261.39)
Deferred Tax on revaluation of property, plant and equipment	-	-	-	-	-	-	-	1.17	-	-	-	1.17
Income of Trust for the period	-	-	-	-	-	4.50	-	-	-	-	-	4.50
Balance as at 30 September 2020	55.19	693.95	10,277.11	752.28	(1,276.80)	4.50	17,887.98	10,349.07	6,251.93	88.07	296.04	45,379.32

Particulars	Reserve and surplus							Item of Other Comprehensive Income (OCI)			Non controlling Interest	Total other equity
	Capital reserve	General reserve	Securities premium	Share options outstanding reserve	Treasury Shares	Saregama Welfare Trust Reserve	Retained earnings	Revaluation surplus	Equity instruments through OCI	Other items of OCI (FCTR)		
Balance at 1 April 2021	55.19	693.95	10,277.11	212.11	(425.60)	(11.36)	21,361.50	10,349.54	6,230.50	92.95	313.07	49,148.96
Profit for the period	-	-	-	-	-	-	6,099.65	-	-	-	13.76	6,113.41
Other comprehensive income for the period (net of tax)	-	-	-	-	-	-	(4.02)	735.81	6,626.78	7.19	4.09	7,369.85
Total comprehensive income for the period	-	-	-	-	-	-	6,095.63	735.81	6,626.78	7.19	17.85	13,483.26
Issue of equity shares under Saregama Employee Stock Option Scheme 2013	-	-	4.67	-	-	-	-	-	-	-	-	4.67
Employee stock option expense	-	-	-	45.17	-	-	-	-	-	-	-	45.17
Sale of treasury shares by the trust during the period	-	-	-	-	258.04	-	-	-	-	-	-	258.04
Adjustment on account of exercise of options	-	-	-	(5.83)	5.83	-	-	-	-	-	-	-
Transfer on account of exercise/lapse of options	-	-	-	(146.46)	-	-	146.46	-	-	-	-	-
Deferred Tax on revaluation of property, plant and equipment	-	-	-	-	-	-	-	1.17	-	-	-	1.17
Income of Trust for the period	-	-	-	-	-	19.93	-	-	-	-	-	19.93
Balance as at 30 September 2021	55.19	693.95	10,281.78	104.99	(161.73)	8.57	27,603.59	11,086.52	12,857.28	100.14	330.92	62,961.20

The description, nature and purpose of each reserve within other equity are as follows:

(i) Capital reserve : The Group recognises profit or loss on purchase, sale, issue or cancellation of the Group's own equity instruments to Capital Reserve. The Group also recognises gains or losses on transaction with Non-Controlling Interest which do not result on loss of control over subsidairy in the capital reserve.

(ii) General reserve : Under the erstwhile Companies Act 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, 2013 (the "Companies Act"), the requirement to mandatory transfer a specified percentage of net profit to general reserve has been withdrawn. The amount credited to the reserve can be utilised by the Group in accordance with the provisions of the Companies Act. There is no movement in general reserve during the current period and previous year.

(iii) Securities premium : This reserve represents the premium on issue of shares and can be utilised in accordance with the provisions of the Companies Act.

(iv) Share options outstanding reserve : This reserve relates to stock options granted by the Parent Company to eligible employees under Saregama Employee Stock Option Scheme 2013. This reserve is transferred to securities premium or retained earnings on exercise or cancellations of vested options.

(v) Treasury Shares : The Parent Company has formed Saregama Welfare Trust (SWT) for implementation of the Schemes that are notified or may be notified from time to time by the Parent Company under the plan, providing shared based benefits to its employees. Shares held by SWT are treated as treasury shares.

(vi) Saregama Welfare Trust Reserve : The Parent Company has formed Saregama Welfare Trust (SWT) for implementation of the Schemes that are notified or may be notified form time to time by the Parent Company under the plan, providing share based benefits to the employees. Shares held by SWT are treated as Treasury Shares. Profit/(loss) on sale/transfer of treasury shares (net of tax) and dividend earned on the same by the SWT is recognized in SWT Reserve.

(vii) Retained earnings : This reserve represents the cumulative profits of the Group and effects of remeasurement of defined benefit obligations. This reserve can be utilised in accordance with the provisions of the Companies Act.

(viii) Revaluation surplus : This reserve represents surplus on revaluation of Property, plant and equipment (land) and will be transferred directly to retained earning when the asset is derecognised.

(ix) Equity instruments through OCI (FVOCI) : This reserve represents the cumulative gains (net of losses) arising on the revaluation of Equity Instruments at fair value though Other Comprehensive Income (OCI), net of amounts reclassified, if any, to Retained earnings when those instruments are disposed of.

(x) Foreign currency translation reserve : Exchange difference arising from translation of foreign operations are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss on disposal of the net investment.

The accompanying notes 1 to 17 are an integral part of these condensed consolidated interim financial statements
As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

B S R & Co. LLP KOLKATA Chartered Accountants

SAREGAMA INDIA LTD.

Jayanta Mukhopadhyay
Partner
Membership Number: 055757

Place: Kolkata
Date: 02 November 2021

For and on behalf of the Board of Directors of
Saregama India Limited
CIN : L22213WB1946PLC014346

Vikram Mehra
Managing Director
DIN: 03556680

Deepak Jain
Interim Chief Financial Officer

Place: Kolkata
Date: 02 November 2021

Noshir Naval Framjee
Director
DIN: 01646640

Kamana Goenka
Company Secretary
ACS: 35161

Place: Kolkata
Date: 02 November 2021

SAREGAMA INDIA LIMITED
Condensed Consolidated Interim Statement of Cash Flow for the six months period ended 30 September 2021
(Amount in Rupees lakhs, except otherwise stated)

	Six months period ended 30 September 2021		Six months period ended 30 September 2020	
A. Cash Flow from Operating Activities				
Profit Before Tax		8,212.13		6,025.03
Adjustments for:				
Depreciation and amortisation expense	506.04		253.07	
Allowance for expected credit loss	4.96		257.99	
Finance costs	209.16		176.29	
Liabilities/Provisions no longer required written back	(1.76)		(555.27)	
Interest income	(584.08)		(305.47)	
Share based payment expense	45.17		69.08	
Bad debts/advances written off	-		2.77	
Profit on sale of Investment in Mutual Fund	(24.75)		-	
Net loss on unrealised foreign currency transactions/ translation	3.37	158.11	49.65	(51.89)
Operating profit before Working Capital Changes		8,370.24		5,973.14
Adjustments for:				
Increase in Other current assets, Loans, Other non-current assets, Other financial assets	(3,382.60)		(174.35)	
Increase in Other financial liabilities, Provisions, Other current liabilities	2,156.10		1,773.80	
Decrease in Trade payables	(139.11)		(197.67)	
Decrease in Employee benefit obligations	(24.33)		(13.35)	
(Increase)/Decrease in Trade receivables	(252.21)		1,209.57	
(Increase)/Decrease in Inventories	(1,829.58)		976.60	
		(3,471.73)		3,574.60
Cash generated from operations		4,898.51		9,547.74
Income taxes paid (net of refund)		(2,121.59)		(151.64)
Net cash generated from Operating Activities (A)		2,776.92		9,396.10
B. Cash Flow from Investing Activities				
Purchase of Property, plant and equipment and intangible assets	(1,534.48)		(298.90)	
Interest received	144.66		43.70	
Investment in equity shares of other company (quoted)	-		(92.70)	
Proceeds from sale of Investment in Mutual funds	2,541.13		-	
Fixed deposits placed with banks (with maturity more than 3 months)	(483.45)		(6,728.14)	
Net cash generated from/(used in) Investing Activities (B)		667.86		(7,076.04)
C. Cash Flow from Financing Activities				
Repayment of Short term borrowings	-		(923.22)	
Proceeds form issue of shares	0.20		0.20	
Share premium received on issue of shares	4.67		4.67	
Purchase of Investment by Saregama Welfare Trust (Treasury Shares)	-		(512.48)	
Exercise of shares through Saregama Welfare Trust	258.04		-	
Repayment of principal portion of lease liabilities	(17.36)		(37.38)	
Interest paid on lease liabilities	(5.06)		(1.63)	
Interest paid on others	(8.40)		(24.28)	
Dividend paid	-		(261.39)	
Net cash generated from/(used in) Financing Activities (C)		232.09		(1,755.51)
Net increase in cash and cash equivalents (A+B+C)		3,676.87		564.55
Cash and Cash Equivalents at the beginning of the period (Refer Note 6.2)		1,113.49		704.70
Effect of exchange rate changes		11.26		(7.01)
Cash and Cash Equivalents at the end of the period (Refer Note 6.2)		4,801.62		1,262.24

Notes:

1 The above Cash Flow Statement has been prepared under the Indirect Method as set out in Ind AS - 7 "Statement of Cash Flows".

2 Reconciliation of liabilities from financing activities:

	Balance as at 1 April 2021	Cash flows	Non-cash changes	Balance as at 30 September 2021
Borrowings	-	-	-	-
Lease liabilities	110.22	(22.42)	5.06	92.86
Total liabilities from financing activities	110.22	(22.42)	5.06	92.86

	Balance as at 1 April 2020	Cash flows	Non-cash changes	Balance as at 30 September 2020
Borrowings	923.22	(923.22)	-	-
Lease liabilities	47.03	(39.01)	1.63	9.65
Total liabilities from financing activities	970.25	(962.23)	1.63	9.65

The accompanying notes 1 to 17 are an integral part of these condensed consolidated interim financial statements
As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Jayanta Mukhopadhyay
Partner
Membership Number: 055757

Place: Kolkata
Date: 02 November 2021

B S R & Co. LLP
KOLKATA
Chartered Accountants

SAREGAMA INDIA LTD.

For and on behalf of the Board of Directors of
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CIN : L22213WB1946PLC014346

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DIN: 01646640

Deepak Jain
Interim Chief Financial Officer

Kamana Goenka
Company Secretary
ACS: 35161

Place: Kolkata
Date: 02 November 2021

Place: Kolkata
Date: 02 November 2021

1 Background

Saregama India Limited ("the Company") is a Company limited by shares, incorporated and domiciled in India. Saregama India Limited (Parent Company) and its subsidiaries (Parent Company and its subsidiaries together referred as "Group") is primarily engaged in the business of manufacturing and sale of Music storage device viz. Carvaan, Music Card, Audio Compact Discs, Digital Versatile Discs and dealing with related music rights. The Group is also engaged in production and sale/telecast/broadcast of films/Tv Serials, pre-recorded programmes and dealing in film rights, printing of printed materials and marketing support services as detailed under segment information in Note 14. Equity shares of the Parent Company are listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The registered office of the Parent Company is located in Kolkata, West Bengal, India.

2 Basis of the Preparation and Other Significant Accounting Policies

(i) Compliance with Ind AS

These unaudited condensed consolidated interim financial statements comprise of unaudited condensed interim financial statements of the Company and its subsidiaries (collectively, "the Group") for the six months period ended 30 September 2021. These unaudited condensed consolidated interim financial statements for the six months period ended 30 September 2021 have been prepared in accordance with Indian Accounting Standard (Ind AS) 34. The unaudited condensed consolidated interim financial statements do not include all the notes of the type normally included in the annual financial statements. Accordingly, these unaudited condensed consolidated interim financial statements are to be read in conjunction with the statutory consolidated financial statements for the year ended 31 March 2021.

The accounting policies adopted are consistent with those of the previous financial year ended 31 March 2021 except for the adoption of new and amended standard, if any, as set out below.

The Ministry of Corporate Affairs (MCA) through a notification, amended Schedule III of the Companies Act, 2013 and the amendments are effective from 1 April 2021. These amendments require certain regroupings in the Schedule III format of Balance Sheet. The Group has given effect of such regroupings in its financial statements including figures for the corresponding previous period wherein Security Deposits has been regrouped from "Loans" in the Audited Financial Statements to " Other financial assets" in the unaudited condensed consolidated interim financial statements.

(ii) Purpose of the unaudited condensed consolidated interim financial statements

These unaudited condensed consolidated interim financial statements which comprise the unaudited condensed consolidated interim balance sheet as at 30 September 2021, the condensed consolidated interim statement of profit and loss and other comprehensive income, the condensed consolidated interim statement of changes in equity and the condensed consolidated interim statement of cash flows for the six months period ended 30 September 2021 and a summary of the significant accounting policies and other explanatory information (together herein after referred to as "unaudited condensed consolidated interim financial statements " have been prepared in accordance with the principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India.

These unaudited condensed consolidated interim financial statements have been prepared soley in connection with the proposed offering of equity shares of face value of Rs. 10 each by the Company in a Qualified Institutions Placement in accordance with provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the "SEBI ICDR Regulations"), as amended. These unaudited condensed consolidated interim financial statements are not the statutory accounts for the purpose of any statutory compliances or for regulatory requirements in any jurisdiction.

These unaudited condensed consolidated interim financial statements for the six months period ended 30 September 2021 of the Group were approved by the Board of Directors of the Company on

(iii) Basis of measurement

(a) Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities (including derivative instruments) that is measured at fair value;
- Net Defined benefit (assets)/liability - Fair value of plan assets less present value of defined benefit obligations; and
- Share based payments.

(b) Functional and presentation currency

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the Parent Company operates ('the functional currency'). The consolidated financial statements are presented in Indian Rupee (Rs.), which is the Group's functional and presentation currency.

(iv) Critical estimates and judgements

In preparing these interim financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses.Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainity were the same as those described in the last annual financial statements.

(v) Principles of consolidation

Subsidiaries

(a) Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

(b) The subsidiaries/ step down subsidiaries considered in the financial statements are as follows :-

Name	Type	Country of Incorporation	% of ownership interest as on 30 September 2021	% of ownership interest as on 31 March 2021	% of ownership interest as on 30 September 2020
Saregama Limited (Formerly Saregama Plc.)	Subsidiary Company	United Kingdom	76.41%	76.41%	76.41%
RPG Global Music Limited	Wholly Owned Subsidiary Company	Mauritius	100.00%	100.00%	100.00%
Kolkata Metro Networks Limited	Wholly Owned Subsidiary Company	India	100.00%	100.00%	100.00%
Open Media Network Private Limited	Wholly Owned Subsidiary Company	India	100.00%	100.00%	100.00%
Saregama FZE	Wholly Owned Subsidiary Company	UAE	100.00%	100.00%	100.00%
Saregama Inc	Wholly Owned Subsidiary Company of Saregama Limited	USA	76.41%	76.41%	76.41%

(vi) New and amended standards

The Group has not adopted any new or revised accouting standards after 31 March 2021 whose application has had a material impact on the unaudited condensed consolidated interim financial statements.

B S R & Co. LLP
KOLKATA
Chartered Accountants

SAREGAMA INDIA LTD.

SAREGAMA INDIA LIMITED
Notes to the Condensed Consolidated Interim Financial Statements for the six months period ended 30 September 2021 (continued)
(Amount in Rupees lakhs, except otherwise stated)

3 **Property, plant and equipment (PPE)**

Description	Gross carrying amount				Accumulated depreciation				Carrying amount (net)	
	Cost as at 1 April 2021	Additions/ adjustments	Deductions/ adjustments	Cost as at 30 September 2021	As at 1 April 2021	Depreciation for the period	Deductions/ adjustments	As at 30 September 2021	As at 30 September 2021	As at 31 March 2021
Land - Freehold	20,007.76	959.44	-	20,967.20	-	-	-	-	20,967.20	20,007.76
Buildings - Freehold	70.59	-	-	70.59	31.72	2.04	-	33.76	36.83	38.87
Buildings	37.71	-	-	37.71	4.00	0.40	-	4.40	33.31	33.71
Plant and equipment	3.14	-	-	3.14	3.14	-	-	3.14	-	-
Furniture and fixtures	475.66	4.93	-	480.59	304.65	24.63	-	329.28	151.31	171.01
Office equipment	874.25	98.85	-	973.10	667.73	71.09	-	738.82	234.28	206.52
Vehicles	5.18	-	-	5.18	5.18	-	-	5.18	-	-
Total	21,474.29	1,063.22	-	22,537.51	1,016.42	98.16	-	1,114.58	21,422.93	20,457.87

3.1 The Group has chosen the revaluation model for land and cost model for other items of PPE as its accounting policy. Accordingly, Parent Company's land was revalued on 1 April 2016 and 1 April 2021 by registered valuer using market approach. Resultant incremental value amounting to Rs.11,640.29 lakhs and Rs.959.44 Lakhs were added to the book value of related land with corresponding credit to Other Comprehensive Income and other equity. The carrying amount of land that would have been recognised had it been carried under the cost model is Rs.8,367.47 Lakhs.

3.2 Aggregate amount of depreciation has been included under 'Depreciation and amortisation expense' in the Statement of Profit and Loss.

4 **Intangible assets**

Description	Gross carrying amount				Accumulated amortisation and impairment							Carrying amount (net)	
	Cost as at 1 April 2021	Additions/ adjustments	Deductions/ adjustments	Cost as at 30 September 2021	Amortisation as at 1 April 2021	Impairment as at 1 April 2021	Amortisation for the period	Impairment/ (Reversal) for the period	Deductions/ adjustments	Amortisation as at 30 September 2021	Impairment as at 30 September 2021	As at 30 September 2021	As at 31 March 2021
Copyrights-Music	2,702.60	1,043.85	-	3,746.45	925.69	-	376.49	-	-	1,302.18	-	2,444.27	1,776.91
Computer Software	92.32	71.15	-	163.47	75.22	-	9.30	-	-	84.52	-	78.95	17.10
Total	2,794.92	1,115.00	-	3,909.92	1,000.91	-	385.79	-	-	1,386.70	-	2,523.22	1,794.01

4.1 The amortisation expense of intangible assets have been included under 'Depreciation and amortisation expense' in the Statement of Profit and Loss.

B S R & Co. LLP KOLKATA Chartered Accountants

SAREGAMA INDIA LTD.

SAREGAMA INDIA LIMITED
Notes to the Condensed Consolidated Interim Financial Statements for the six months period ended 30 September 2021 (continued)
(Amount in Rupees lakhs, except otherwise stated)

Financial assets (non-current)

5 Investments

Particulars	Face value of each unit as at 30 September 2021	Face value of each unit as at 31 March 2021	Number of shares as at 30 September 2021	Number of shares as at 31 March 2021	As at 30 September 2021	As at 31 March 2021
Investments carried at fair value through other comprehensive income						
Quoted - fully paid equity shares in other companies						
CESC Limited	Re.1	Rs.10	1,54,49,880	15,44,988	14,144.37	9,170.28
Phillips Carbon Black Limited	Rs.2	Rs.2	500	500	1.34	0.95
Harrisons Malayalam Limited	Rs.10	Rs.10	100	100	0.18	0.14
CFL Capital Financial Services Limited	Rs.10	Rs.10	100	100	0.02	0.02
STEL Holdings Limited	Rs.10	Rs.10	100	100	0.18	0.08
RPSG Ventures Limited (formerly CESC Ventures Limited)	Rs.10	Rs.10	3,08,997	3,08,997	2,973.48	1,041.79
Spencers Retail Limited (formerly RP-SG Retail Limited)	Rs.5	Rs.5	10,50,590	10,50,590	1,335.83	741.71
Unquoted - fully paid equity shares in other companies						
Spencer and Company Limited	Rs.9	Rs.9	200	200	1.04	1.04
Woodlands Multispeciality Hospital Limited	Rs.10	Rs.10	2,250	2,250	5.60	5.60
Timbre Media Private Limited	Rs.10	Rs.10	2,30,000	2,30,000	179.59	179.59
Total investments					18,641.63	11,141.20
Aggregate carrying value of quoted investments and market value thereof					18,455.40	10,954.97
Aggregate carrying value of unquoted investments					186.23	186.23
Aggregate provision for impairment in the value of investments					-	-

Equity shares designated at fair value though other comprehensive income (FVOCI)

Particulars	Fair value as at 30 September 2021	Dividend income recognised during the period	Fair value as at 31 March 2021	Dividend income recognised during 2020-21
Investment in CESC Limited	14,144.37	-	9,170.28	695.25
Investment in Phillips Carbon Black Limited	1.34	-	0.95	0.03
Investment in Harrisons Malayalam Limited	0.18	-	0.14	-
Investment in CFL Capital Financial Services Limited	0.02	-	0.02	-
Investment in STEL Holdings Limited	0.18	-	0.08	-
Investment in RPSG Ventures Limited (formerly CESC Ventures Limited)	2,973.48	-	1,041.79	-
Investment in Spencers Retail Limited (formerly RP-SG Retail Limited)	1,335.83	-	741.71	-
Investment in Spencer and Company Limited	1.04	-	1.04	-
Investment in Woodlands Multispeciality Hospital Limited	5.60	-	5.60	-
Investment in Timbre Media Private Limited	179.59	-	179.59	-
Total	18,641.63	-	11,141.20	695.28

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Saregama India Ltd.

6 Financial assets (current)

6.1 Investments

Particulars	As at 30 September 2021	As at 31 March 2021
Investments carried at fair value through profit and loss Units of Mutual funds (quoted)	-	2,516.38
Total investments	-	2,516.38
Aggregate carrying value of quoted investments and market value thereof	-	2,516.38

6.2 Cash and cash equivalents

Particulars	As at 30 September 2021	As at 31 March 2021
Cash on hand	2.34	1.75
Bank balances:		
- Current accounts	1,017.54	1,111.74
- Demand Deposits with Banks (upto 3 months maturity)	3,781.74	-
Total cash and cash equivalents	4,801.62	1,113.49

6.3 Other bank balances

Particulars	As at 30 September 2021	As at 31 March 2021
Earmarked balances with bank		
Deposits (with original maturity more than 3 months but remaining maturity period less than 12 months) #	10,361.37	9,878.00
Unpaid dividend accounts @	31.77	20.27
Interim dividend account *	-	3,485.60
Total other bank balances	10,393.14	13,383.87

Includes **Rs.192.55 Lakhs** deposited with Delhi Court (31 March 2021 - Rs.187.96 Lakhs).

@ Earmarked for payment of unclaimed dividend

* Represents amount transferred to dividend escrow account pertaining to interim dividend declared on 23 March 2021.

6.4 Loans

(Unsecured,considered good unless otherwise stated)

Particulars	As at 30 September 2021	As at 31 March 2021
Loan to employees **	1,832.02	923.58
Total loans	1,832.02	923.58

** includes loan to director (Refer Note 12)

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SAREGAMA INDIA LTD

(Amount in Rupees lakhs, except otherwise stated)

7 Other current liabilities

Particulars	As at 30 September 2021	As at 31 March 2021
Income received in advance	**2,173.77**	1,758.32
Advance from customers	**370.93**	302.04
Amount payable to Government authorities*	**372.17**	430.05
Others	**59.50**	59.50
Total other current liabilities	**2,976.37**	2,549.91

*Primarily include payables in respect of Goods and Services Tax (GST) and tax deducted at source (TDS).

8 Provisions

Particulars	As at 30 September 2021	As at 31 March 2021
Other provisions		
Provision for returns of magazines	**14.80**	15.56
Provision for royalty on licence fees	**8,308.25**	7,078.51
Total provisions	**8,323.05**	7,094.07

B S R & Co. LLP KOLKATA Chartered Accountants

SAREGAMA INDIA LTD

SAREGAMA INDIA LIMITED
Notes to the Condensed Consolidated Interim Financial Statements for the six months period ended 30 September 2021 (continued)
(Amount in Rupees lakhs, except otherwise stated)

9 Revenue from operations

Particulars	Six months period ended 30 September 2021	Six months period ended 30 September 2020
Sale of products	4,118.38	2,546.30
Sale of services		
Income from films and television serials	3,428.07	1,251.47
Licence fees	16,876.90	13,460.81
Publication	238.67	209.83
Other operating revenue*	342.69	991.26
Total revenue from operations	25,004.71	18,459.67

*Includes export incentives of Rs.Nil (Previous period Rs.915.15 Lakhs) on account of Service Exports from India Scheme

Disaggregation of revenue from contracts with customers
In the following table, revenue from contracts with customers is disaggregated by primary geography market, products and service lines and timing of revenue recognition. The Group believes that this disaggregation best depicts how the nature, amount, timing of revenues and cash flows are affected by geography and other economic factors:

Particulars	Sale of products		Licence fees		Films/Television serials		Publication	
	Six months period ended 30 September 2021	Six months period ended 30 September 2020	Six months period ended 30 September 2021	Six months period ended 30 September 2020	Six months period ended 30 September 2021	Six months period ended 30 September 2020	Six months period ended 30 September 2021	Six months period ended 30 September 2020
Revenue by geography								
Domestic	3,838.33	2,490.83	9,424.88	8,112.20	2,397.42	907.00	237.94	208.37
International	280.05	55.47	7,452.02	5,348.61	1,030.65	344.47	0.73	1.46
	4,118.38	2,546.30	16,876.90	13,460.81	3,428.07	1,251.47	238.67	209.83
Timing of Revenue Recognition								
Products and services transferred at a point in time	4,118.38	2,546.30	3,353.88	2,147.63	3,428.07	1,251.47	233.25	206.94
Products and services transferred over time	-	-	13,523.02	11,313.18	-		5.41	2.89
Total Revenue from Contracts with customers	4,118.38	2,546.30	16,876.90	13,460.81	3,428.07	1,251.47	238.67	209.83

Relationship between disclosure of disaggregated revenue and revenue information for each reportable segment has been disclosed in Note 14 to the condensed consolidated interim financial statements.

B S R & Co. LLP KOLKATA Chartered Accountants

SAREGAMA INDIA LTD.

SAREGAMA INDIA LIMITED
Notes to the Condensed Consolidated Interim Financial Statements for the six months period ended 30 September 2021 (continued)
(Amount in Rupees lakhs, except otherwise stated)

10 Other expenses

Particulars	Six months period ended 30 September 2021	Six months period ended 30 September 2020
Power and fuel	50.57	51.12
Rent	195.27	201.56
Repairs - Buildings	29.88	18.22
- Machinery	0.32	-
- Others	41.42	21.09
Royalties	3,205.78	2,853.15
Carriage, freight and forwarding charges	404.21	370.35
Rates and taxes	100.35	10.66
Insurance	42.83	58.51
Travel and conveyance	114.14	10.12
Advertisement and sales promotion	2,210.15	1,300.76
Editorial expenses	63.92	75.73
Printing and publishing expenses	18.33	19.89
Printing and communication expenses	117.42	139.24
Bad debts/advances written off	-	2.77
Allowance for expected credit loss / provision for doubtful advances	4.96	257.99
Provision for magazine returns	-	3.65
Legal and consultancy expenses	775.56	923.55
Corporate social responsibility expenses	100.07	68.60
Miscellaneous expense	740.52	460.27
Total other expenses	**8,215.70**	**6,847.23**

B S R & Co. LLP KOLKATA Chartered Accountants

SAREGAMA INDIA LTD.

SAREGAMA INDIA LIMITED

Notes to the Condensed Consolidated Interim Financial Statements for the six months period ended 30 September 2021 (continued)

(Amount in Rupees lakhs, except otherwise stated)

11 Basic and diluted earnings per share:

Particulars	Six months period ended 30 September 2021	Six months period ended 30 September 2020
Number of equity shares at the beginning of the period	**1,74,28,012**	1,74,26,012
Number of equity shares at the end of the period	**1,74,30,012**	1,74,28,012
Weighted average number of equity shares outstanding during the period (A)	**1,74,28,242**	1,74,26,250
Weighted average number of equity shares held in controlled trust (B)	**74,448**	2,48,307
Weighted average number of equity shares for computing basic earnings per share [C= (A-B)]	**1,73,53,794**	1,71,77,943
Weighted average number of potential equity shares on account of employee stock options (D)	**33,158**	1,15,307
Weighted average number of equity shares for computing diluted earnings per share [E= (C+D)]	**1,73,86,952**	1,72,93,250
Nominal value of each equity share (Rs.)	**10**	10
Profit after tax available for equity shareholders (Rs.in Lakhs) [F]	**6,099.65**	4,394.55
Basic earnings per share (Rs.) [F/C]	**35.15**	25.58
Diluted earnings per share (Rs.) [F/E]	**35.08**	25.41

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SAREGAMA INDIA LTD

12 Related party disclosures

a) Where Control exists
Holding Company

Name	Type	Place of Incorporation	Ownership Interest As at 30 September 2021	Ownership Interest As at 31 March 2021
Composure Services Private Limited (CSPL)	Holding Company	India	59.05%	59.05%

b) Joint venture
Saregama Regency Optimedia Private Limited (SROPL) (under liquidation effective 19 September 2016)

Transactions with related parties

	Particulars	Six months period ended 30 September 2021	Six months period ended 30 September 2020
A	**Holding Company**		
	Dividend Paid	2,058.32	154.37
B	**Entity jointly controlled by KMP of the Parent Company**		
	RPSG Resources Private Limited		
	Royalty expense for brand usage	300.00	225.00
	Reimbursement of expenses received	100.00	100.00
C	**Remuneration to Key management personnel of the Parent Company**		
	Mr.Vikram Mehra (Managing Director)	512.90	301.06
	Mr.Vineet Garg	103.29	85.80
	Mrs.Kamana Goenka	8.65	7.53
D	Loan given to Mr.Vikram Mehra *	917.00	-
E	**Sitting fees paid to Key management personnel of Parent Company**		
	Mr.Sanjiv Goenka	0.60	0.50
	Mrs.Preeti Goenka	0.40	0.40
	Mrs.Avarna Jain	0.40	0.40
	Mr.Umang Kanoria	1.10	0.70
	Mr.Santanu Bhattacharya	1.20	0.75
	Mr.Arindam Sarkar	0.60	0.40
	Mr.Noshir Naval Framjee	1.00	0.65
	Mrs.Kusum Dadoo	-	0.20
	Mrs.Suhana Murshed	0.40	-
F	**Post employment benefit plan of the Parent Company**		
	Contribution towards Saregama India Limited Employees Group Gratuity Fund	70.00	140.00
	Contribution towards Saregama India Limited Superannuation Fund	15.49	14.77
G	**Other Related Party**		
	Loans given to Saregama Welfare Trust for purchase of treasury shares	-	210.00
	Loans recovered from Saregama Welfare Trust	263.87	-

Key management personnel compensation**

		Period ended 30 September 2021	Period ended 30 September 2020
	Short-term Employee Benefits	581.49	374.24
	Post Employment Benefits	32.28	15.13
	Other Long- term Benefits	11.07	5.02

* Unsecured interest free loan loans of INR 917.00 Lakhs advanced to managing director during the six months ended 30 September 2021 is as per the terms and conditions approved by Nomination and Remuneration Committee duly authorised by the shareholders in its meeting held on 19 July 2019.

** The above compensation does not include perquisite value of interest free loan granted to the Managing Director and perquisite value of shares options exercised by the Managing Director during the period aggregating to Rs.1,787.95 Lakhs for the period ended 30 September 2021, as defined under the Income-tax Act,1961.

Balances outstanding

		As at 30 September 2021	As at 31 March 2021
A	**Joint venture company**		
1)	Non-current investments @		
	SROPL	145.97	145.97
2)	Provision for diminution in the value of investments		
	SROPL	145.97	145.97
B	**Entity jointly controlled by KMP of the Parent Company**		
	RPSG Resources Private Limited		
	Reimbursement of expenses receivable (including taxes)	118.00	177.00
C	**Key management personnel of the Parent Company**		
	Remuneration payable		
	- Mr.Vikram Mehra	78.64	125.00
	- Mr.Vineet Garg	14.48	26.79
	- Mrs.Kamana Goenka	0.95	1.73
	Loan given to Mr. Vikram Mehra	1,812.00	895.00
	@ Gross of Provision.		

B S R & Co. LLP Chartered Accountants KOLKATA

SAREGAMA INDIA LTD.

SAREGAMA INDIA LIMITED
Notes to the Condensed Consolidated Interim Financial Statements for the six months period ended 30 September 2021 (continued)
(Amount in Rupees lakhs, except otherwise stated)

13 Fair value measurements

(i) Financial instruments by category

	Particulars	Notes	As at 30 September 2021 Carrying Amount / Fair Value	As at 31 March 2021 Carrying Amount / Fair Value
A.	**Financial assets**			
(a)	**Measured at fair value through OCI**			
	Investments			
	Equity instruments	5	18,641.63	11,141.20
	Sub total		18,641.63	11,141.20
(b)	**Measured at fair value through profit and loss**			
	Investments			
	Units of Mutual Funds (quoted)	6.1	-	2,516.38
	Sub total		-	2,516.38
(c)	**Measured at amortised cost**			
	Trade receivables		8,969.09	8,735.30
	Cash and cash equivalents	6.2	4,801.62	1,113.49
	Other bank balances	6.3	10,393.14	13,383.87
	Loans	6.4	1,832.02	923.58
	Other financial assets		918.52	614.06
	Sub total		26,914.39	24,770.30
	Total financial assets		45,556.02	38,427.88
B.	**Financial Liabilities**			
	Measured at amortised cost			
	Lease liabilities		92.86	110.22
	Trade payables		5,491.29	5,630.40
	Other financial liabilities		3,388.17	6,477.22
	Total financial liabilities		8,972.32	12,217.84

(ii) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows below:

Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: Inputs other than quoted price included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
The fair value of financial instruments that are not traded in an active market is determined using market approach and valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).
If one or more of the significant inputs is not based on observable market data, the fair value is determined using generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparty.

The fair value of trade receivables, cash and cash equivalents, other bank balances, loans and deposits, trade payables, borrowings, lease liabilities and other financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short-term nature. The fair values of unquoted equity instruments were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterpaty credit risk.
There has been no change in the valuation methodology for Level 3 inputs during the period. The Group has classified certain financial instruments under Level 3 of the fair value hierarchy. There were no transfers between Level 1 and Level 2 during the period ended 30 September 2021 and year ended 31 March 2021.

Particulars	Fair Value Hierarchy Level	As at 30 September 2021	As at 31 March 2021
Financial assets			
Measured at fair value through OCI			
Investments			
Equity instruments (quoted)	1	18,455.40	10,954.97
Equity instruments (un-quoted)	3	186.23	186.23
		18,641.63	11,141.20
Measured at fair value through profit and loss			
Investments			
Units of Mutual Funds (quoted)	1	-	2,516.38

Some of the Group's financial assets as mentioned in above table are carried at fair value for which level 3 inputs have been used. The fair value was determined using discounted cash flow method considering the significant unobservable inputs i.e. earning growth rate and discounting rate. Based on the sensitivity analysis performed, there is no significant movement in the fair value of these instruments during the period ended 30 September 2021 as compared to 31 March 2021.

SAREGAMA INDIA LTD.

S R & Co. LLP KOLKATA Chartered Accountants

SAREGAMA INDIA LIMITED
Notes to the Condensed Consolidated Interim Financial Statements for the six months period ended 30 September 2021 (continued)
(Amount in Rupees lakhs, except otherwise stated)

14 Segment Information

(a) Description of segments and principal activities
The Group's Chief Operating Decision Maker ('CODM') examines the Group's performance and has identified three reportable segments of its business.

Music : The Group is primarily engaged in the business of manufacturing and sale of Music storage device viz. Carvaan, Music Card etc. and dealing with related music rights.

Film/TV Serials : The Group is also engaged in production and sale/telecast/broadcast of films/TV Serials, pre-recorded programmes and dealing in film rights.

Publication : Group also publishes weekly current affairs magazine 'OPEN' through its publication business.

The segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statement. Also the group's borrowings (including finance costs and interest income), income taxes and investments are managed at head office and are not allocated to operating segments.

Segment Revenue is measured in the same way as in the Statement of Profit and Loss.

Segment assets and liabilities are measured in the same way as in the consolidated financial statements. These assets are allocated based on the operations of the segment and the physical location of the assets.

(b) Information about reportable segments

Particulars	Six months period ended 30 September 2021				Six months period ended 30 September 2020			
	Music	Films/TV Serials	Publication	Total	Music	Films/TV Serials	Publication	Total
Segment revenue - External sales - Intersegment sales	21,337.97 -	3,428.07 -	238.67 -	25,004.71 -	16,998.83 -	1,251.00 -	209.84 -	18,459.67 -
Total segment revenue	21,337.97	3,428.07	238.67	25,004.71	16,998.83	1,251.00	209.84	18,459.67

Particulars	Six months period ended 30 September 2021				Six months period ended 30 September 2020			
	Music	Films/TV Serials	Publication	Total	Music	Films/TV Serials	Publication	Total
Segment result	10,318.48	426.79	(615.23)	10,130.04	8,909.42	(444.21)	(649.72)	7,815.49
Reconciliation to profit before tax								
Interest income				273.82				91.65
Finance costs				(209.16)				(176.29)
Other unallocated expenditure (net of unallocated income)				(1,982.57)				(1,705.82)
Profit before tax				8,212.13				6,025.03
Taxes				(2,098.72)				(1,556.46)
Profit after tax				6,113.41				4,468.57

Particulars	Six months period ended 30 September 2021					Six months period ended 30 September 2020				
	Music	Films/TV Serials	Publication	Unallocated	Total	Music	Films/TV Serials	Publication	Unallocated	Total
Segment depreciation and amortisation	467.57	12.53	3.85	22.09	506.04	212.98	28.23	9.10	2.76	253.07
Non cash expenses*					506.04					253.07

*There are no other significant non-cash expenditure other than depreciation and amortisation

Particulars	As at 30 September 2021				As at 31 March 2021			
	Music	Films/TV Serials	Publication	Total	Music	Films/TV Serials	Publication	Total
Segment assets	45,519.03	6,714.77	560.40	52,794.20	40,156.00	5,724.00	456.05	46,336.05
Reconciliation to total assets								
Unallocated assets				38,858.26				32,064.15
Total assets				91,652.46				78,400.20

Particulars	Six months period ended 30 September 2021					Six months period ended 30 September 2020				
	Music	Films/TV Serials	Publication	Unallocated	Total	Music	Films/TV Serials	Publication	Unallocated	Total
Addition to non current assets other than financial assets	1,143.04	30.36	9.65	995.26	2,178.31	53.46	3.94	-	3.71	61.11

Particulars	As at 30 September 2021				As at 31 March 2021			
	Music	Films/TV Serials	Publication	Total	Music	Films/TV Serials	Publication	Total
Segment liabilities	18,186.37	1,050.00	354.12	19,590.49	16,485.73	909.00	285.02	17,679.75
Reconciliation to total liabilities								
Unallocated liabilities				7,357.77				9,828.69
Total liabilities				26,948.26				27,508.44

(c) Additional information by geographies
The amount of revenue from external customers broken down by the location of the customers is shown in table below-

Revenue from external customers	Six months period ended 30 September 2021	Six months period ended 30 September 2020
India	16,241.26	12,709.66
Other Countries	8,763.45	5,750.01
Total	25,004.71	18,459.67

The total of segment assets broken down by location of the assets is shown below-

Non-current assets*	As at 30 September 2021	As at 31 March 2021
India	25,879.81	23,898.31
Other Countries	-	-
Total	25,879.81	23,898.31

* Excluding financial instruments, etc. as defined under Indian Accounting Standard (Ind AS) 108 on 'Operating Segment' notified in the Act.

SAREGAMA INDIA LTD. *

B S R & Co. LLP KOLKATA Chartered Accountants

SAREGAMA INDIA LIMITED
Notes to the Condensed Consolidated Interim Financial Statements for the six months period ended 30 September 2021 (continued)
(Amount in Rupees lakhs, except otherwise stated)

15 **Commitments**
Estimated amount of contract remaining to be executed on Capital account and not provided for [net of advances of **Rs.1,422.96 Lakhs** (31 March 2021 - Rs.1,058.38 Lakhs)] as at 30 September 2021 are estimated at **Rs.1,457.69 Lakhs** (31 March 2021 - Rs.1,376.43 Lakhs).

16 **Contingent liabilities in respect of -**

(i) Income Tax Matter
The Group has ongoing disputes with income tax authorities in India. The disputes relate to tax treatment of certain expenses claimed as deductions, computation or eligibility of allowances. The Group has contingent liability of **Rs.2,808.68 Lakhs** as at 30 September 2021 (31 March 2021 - Rs.1,050.74 Lakhs) in respect of tax demands which are being contested by the Group based on the management evaluation and advice of tax consultants.

(ii) Indirect Tax Matter
The Group has ongoing disputes with Indian tax authorities mainly relating to treatment of characterisation and classification of certain items. The Group has demands amounting to **Rs.463.63 Lakhs** as at 30 September 2021 (31 March 2021 - Rs.463.63 Lakhs) relating to Excise duty, Custom duty, Service tax, Sales tax/VAT and Other indirect taxes from respective indirect tax authorities which are being contested by the Group based on the management evaluation and advice of tax consultants.

(iii) Copyright Matter
The Group has received legal notices of claims / lawsuits filed against it relating to infringement of copyrights in relation to the music used / other matters. Based on management evaluation and advice from legal solicitors, **Rs.20.25 Lakhs** as at 30 September 2021 (31 March 2021 - Rs.20.25 Lakhs) is considered as contingent on account of such claims / law suits.

(iv) Other matters including claims related to property related demands **Rs.4,649.77 Lakhs** as at 30 September 2021 (31 March 2021 - Rs.4,295.04 Lakhs).

In respect of above, it is not practicable for the Group to estimate the timings of cash outflows, if any, pending resolution of the respective proceedings. The Group does not expect any reimbursements in respect of the above.

17 The figures of the previous period/year have been regrouped/ reclassified, wherever necessary, to conform to the classification for the six months ended 30 September 2021.

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Jayanta Mukhopadhyay
Partner
Membership Number: 055757

Place: Kolkata
Date: 02 November 2021

For and on behalf of the Board of Directors of
Saregama India Limited
CIN : L22213WB1946PLC014346

Vikram Mehra
Managing Director
DIN: 03556680

Noshir Naval Framjee
Director
DIN: 01646640

Deepak Jain
Interim Chief Financial Officer

Kamana Goenka
Company Secretary
ACS: 35161

Place: Kolkata
Date: 02 November 2021

Place: Kolkata
Date: 02 November 2021

SAREGAMA INDIA LTD.

B S R & Co. LLP KOLKATA Chartered Accountants

B S R & Co. LLP

Chartered Accountants

B S R & Co. LLP
Godrej Waterside, Unit No. 603
6th Floor, Tower 1, Plot No 5, Block - DP
Sector V, Salt Lake, Kolkata - 700091

Telephone: +91 33 4035 4200
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INDEPENDENT AUDITORS' REPORT

To the Members of Saregama India Limited

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Saregama India Limited (hereinafter referred to as the 'Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2021, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2021, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Description of Key Audit Matter

Revenue Recognition **See note 20 to the consolidated financial statements**	
The key audit matter	**How the matter was addressed in our audit**
The Group derives its revenues from the sale of contractually manufactured products; licensing of music rights and income from films and television serials including free commercial time. The recognition of revenue from licence fees has been considered to be critical since the Group has entered into multiple complex contracts with its customers. The revenue gets recognised based on the logs/ information as received from such customers. The complexity of these contractual terms also requires the Group to make judgments in assessing whether it has fulfilled its obligations under the contracts before recognizing the revenue.	Our audit procedures include the following: • We have evaluated the terms of significant contracts pertaining to revenue from licence fees to identify the performance obligations under these contracts; • We have considered the revenue recognition policies of the Group in respect of those contracts and assessed the consistent application of these policies in light of the requirements of relevant accounting standards; • We have tested the effectiveness of relevant controls over revenue from licence fees; and • We have selected sample transactions and performed substantive procedures with regard to revenue from licence fees by agreeing to third party information, logs received from the customers and other relevant information. We tested the transactions closer to the year end to check the recognition of revenue in the correct period.

Other Information

The Holding Company's management and Board of Directors are responsible for the Other Information. The Other Information comprises the information included in the Holding Company's annual report, but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the Other Information and we do not express any form of assurance conclusion thereon.

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

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and

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other irregularities; the 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 consolidated 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in the section titled 'Other Matters' in this audit report.

  We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements six subsidiaries (including one step-down subsidiary) whose financial statements reflect total assets of Rs.3,935.61 Lakhs as at 31 March 2021, total revenues of Rs. 2,975.46 Lakhs and net cash inflows amounting to Rs.108.94 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the audit reports of the other auditors.

Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and

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the conversion adjustments prepared by the Management of the Holding Company and audited by us.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company, its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

B. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, as noted in the 'Other Matters' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2021 on the consolidated financial position of the Group. Refer Note 38 to the consolidated financial statements.

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2021.

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iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2021.

iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the consolidated financial statements since they do not pertain to the financial year ended 31 March 2021.

C. With respect to the matter to be included in the Auditors' report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 read with Schedule V of the Act. The remuneration paid to any director is in excess of the limit laid down under Section 197 read with Schedule V of the Act, however, necessary approval with respect to the same has been obtained by the Company (refer note 35 to the consolidated financial statement). The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

B S R & Co. LLP KOLKATA Chartered Accountants

Jayanta Mukhopadhyay
Partner
Membership No.: 055757
UDIN: 21055757AAAABN6544

Place: Kolkata
Date: 12 May 2021

Annexure A to the Independent Auditors' report on the consolidated financial statements of Saregama India Limited for the year ended 31 March 2021

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph (A(f)) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2021, we have audited the internal financial controls with reference to consolidated financial statements of Saregama India Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Act which are its subsidiary companies, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

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KOLKATA
Chartered Accountants

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

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

Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements

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

B S R & Co. LLP
KOLKATA
Chartered Accountants

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to two subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not modified in respect of the above matters.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

B S R & Co. LLP
KOLKATA
Chartered Accountants

Jayanta Mukhopadhyay
Partner
Membership No.: 055757
UDIN: 21055757AAAABN6544

Place: Kolkata
Date: 12 May 2021

SAREGAMA INDIA LIMITED
Consolidated Balance Sheet as at 31 March 2021
(Amount in Rupees lakhs, except otherwise stated)

Particulars	Notes	As at 31 March 2021	As at 31 March 2020
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	3	**20,457.87**	20,529.30
(b) Right-of-use assets	4	**109.46**	44.32
(c) Investment properties	5	**225.03**	230.56
(d) Intangible assets	6	**1,794.01**	1,116.36
(e) Intangible assets under development		**195.02**	-
(f) Investment accounted for using equity method	36(b)	-	-
(g) Financial assets			
(i) Investments	7.1	**11,141.20**	7,544.15
(ii) Loans and deposits	7.2	**193.64**	472.47
(iii) Other financial assets	7.3	**0.25**	0.25
(h) Other non-current assets	8	**1,116.92**	235.70
Total non-current assets		**35,233.40**	30,173.11
(2) Current assets			
(a) Inventories	9	**6,919.31**	9,363.57
(b) Financial assets			
(i) Investments	10.1	**2,516.38**	-
(ii) Trade receivables	10.2	**8,735.30**	10,845.84
(iii) Cash and cash equivalents	10.3	**1,113.49**	704.70
(iv) Bank balances other than (iii) above	10.4	**13,383.87**	194.61
(v) Loans and deposits	10.5	**1,158.15**	31.11
(vi) Other financial assets	10.6	**185.60**	7.24
(c) Current tax assets (net)	11	**1,966.07**	3,689.46
(d) Other current assets	12	**7,188.63**	6,965.54
Total current assets		**43,166.80**	31,802.07
TOTAL ASSETS		**78,400.20**	61,975.18
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	13.1	**1,742.80**	1,742.60
(b) Other equity	13.2	**48,835.89**	38,136.47
Equity Attributable to Owners of the Company		**50,578.69**	39,879.07
Non-controlling interest		**313.07**	224.86
Total equity		**50,891.76**	40,103.93
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	4	**74.64**	-
(b) Employee benefit obligations	14	**419.45**	349.57
(c) Deferred tax liabilities (net)	15	**5,052.33**	4,578.49
Total non-current liabilities		**5,546.42**	4,928.06
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	16.1	-	923.22
(ii) Lease liabilities	4	**35.58**	47.03
(iii) Trade payables			
a) Total outstanding dues of micro enterprises and small enterprises	16.2	**1.37**	3.46
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	16.2	**5,629.03**	5,796.93
(iv) Other financial liabilities	16.3	**6,477.22**	2,346.40
(b) Other current liabilities	17	**2,549.91**	2,438.83
(c) Provisions	18	**7,094.07**	5,158.92
(d) Employee benefit obligations	19	**174.84**	228.40
Total current liabilities		**21,962.02**	16,943.19
TOTAL LIABILITIES		**27,508.44**	21,871.25
TOTAL EQUITY AND LIABILITIES		**78,400.20**	61,975.18

The accompanying notes 1 to 42 are an integral part of these consolidated financial statements
As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Jayanta Mukhopadhyay
Partner
Membership Number: 055757

Place: Kolkata
Date: 12 May 2021

B S R & Co. LLP KOLKATA Chartered Accountants

For and on behalf of the Board of Directors of
Saregama India Limited
CIN : L22213WB1946PLC014346

Sanjiv Goenka
Chairman
DIN: 00074796

Vikram Mehra
Managing Director
DIN: 03556680

Vineet Garg
Chief Financial Officer

Kamana Goenka
Company Secretary
ACS: 35161

Place: Kolkata
Date: 12 May 2021

Place: Kolkata
Date: 12 May 2021

SAREGAMA INDIA LIMITED
Consolidated Statement of Profit and Loss for the year ended 31 March 2021
(Amount in Rupees lakhs, except otherwise stated)

	Particulars	Notes	Year ended 31 March 2021	Year ended 31 March 2020
I	Revenue from operations	20	44,196.26	52,147.49
II	Other income	21	3,085.37	1,122.90
III	**Total income (I+II)**		47,281.63	53,270.39
IV	**Expenses**			
	Cost of material consumed/ Contract manufacturing charges	22	2,105.81	10,702.76
	Cost of production of films and television serials	23	4,649.68	5,408.43
	Changes in inventories of finished goods and work-in-progress [(increase)/decrease]	24	2,451.49	255.96
	Employee benefits expense	25	6,953.36	6,661.54
	Finance costs	26	345.06	671.47
	Depreciation and amortisation expense	27	561.00	463.76
	Other expenses	28	15,024.59	23,071.70
	Total expenses (IV)		32,090.99	47,235.62
V	**Profit before tax (III-IV)**		15,190.64	6,034.77
VI	Tax expense			
	- Current tax	29	3,773.08	1,968.01
	- Tax related to previous periods	29	-	45.95
	- Deferred tax [charge/(credit)]	15	71.10	(328.64)
	Total tax expense (VI)		3,844.18	1,685.32
VII	**Profit for the year (V-VI)**		11,346.46	4,349.45
VIII	**Other comprehensive income**			
	Items that will be reclassified to profit or loss:			
	(a) Exchange differences on translation of foreign operations		(5.09)	17.84
	Items that will not be reclassified subsequently to profit or loss:			
	(a) Remeasurements of post-employment benefit obligations		(18.82)	(100.79)
	(b) Changes in fair value of equity instruments designated at FVOCI		3,504.36	(7,289.90)
	(c) Income tax relating to items that will not be reclassified subsequently to profit or loss	15	(404.38)	870.65
	Other comprehensive income for the year, net of tax (VIII)		3,076.07	(6,502.20)
IX	**Total comprehensive income for the year (VII+VIII)**		14,422.53	(2,152.75)
	Profit for the year attributable to :-			
	(a) Owners of the Company		11,255.41	4,393.84
	(b) Non-Controlling Interest		91.05	(44.39)
	Other comprehensive income for the year attributable to :-			
	(a) Owners of the Company		3,078.91	(6,509.62)
	(b) Non-Controlling Interest		(2.84)	7.42
	Total comprehensive income for the year attributable to :-			
	(a) Owners of the Company		14,334.32	(2,115.78)
	(b) Non-Controlling Interest		88.21	(36.97)
X	**Earnings per equity share:**[Nominal value per share **Rs.10** (previous year- Rs. 10)]			
	Basic (Rs.)	40	65.61	25.29
	Diluted (Rs.)	40	64.97	25.26

The accompanying notes 1 to 42 are an integral part of these consolidated financial statements
As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Jayanta Mukhopadhyay
Partner
Membership Number: 055757

Place: Kolkata
Date: 12 May 2021

B S R & Co. LLP
KOLKATA
Chartered Accountants

For and on behalf of the Board of Directors of
Saregama India Limited
CIN : L22213WB1946PLC014346

Sanjiv Goenka
Chairman
DIN: 00074796

Vikram Mehra
Managing Director
DIN: 03556680

Vineet Garg
Chief Financial Officer

Kamana Goenka
Company Secretary
ACS: 35161

Place: Kolkata
Date: 12 May 2021

Place: Kolkata
Date: 12 May 2021

SAREGAMA INDIA LIMITED
Consolidated Statement of changes in equity for the year ended 31 March 2021
(Amount in Rupees lakhs, except otherwise stated)

A. Equity share capital

Description	Number of shares	Amount
As at 1 April 2019	1,74,10,492	1,741.05
Changes in equity share capital	15,520	1.55
As at 31 March 2020	1,74,26,012	1,742.60
Changes in equity share capital	2,000	0.20
As at 31 March 2021	1,74,28,012	1,742.80

B. Other equity

Particulars	Reserve and surplus							Item of Other Comprehensive Income (OCI)			Non controlling Interest	Total other equity
	Capital reserve	General reserve	Securities premium	Share options outstanding reserve	Treasury Shares	Saregama Welfare Trust Reserve	Retained earnings	Revaluation surplus	Equity instruments through OCI	Other items of other comprehensive income (FCTR)		
Balance at 1 April 2019	55.19	693.95	10,252.72	14.32	-	-	10,064.89	10,320.87	9,580.53	84.78	261.83	41,329.08
Profit for the year	-	-	-	-	-	-	4,393.84	-	-	-	(44.39)	4,349.45
Other comprehensive income for the year (net of tax)	-	-	-	-	-	-	(74.73)	-	(6,445.31)	10.42	7.42	(6,502.20)
Total comprehensive income for the year	-	-	-	-	-	-	4,319.11	-	(6,445.31)	10.42	(36.97)	(2,152.75)
Issue of equity shares under Saregama Employee Stock Option Scheme 2013	-	-	19.72	-	-	-	-	-	-	-	-	19.72
Final dividend on equity shares for the financial year 2018-19	-	-	-	-	-	-	(522.60)	-	-	-	-	(522.60)
Dividend distribution tax on above	-	-	-	-	-	-	(107.42)	-	-	-	-	(107.42)
Employee stock option expense (Refer Note 25)	-	-	-	21.78	-	-	-	-	-	-	-	21.78
Effect of modification of share based payment awards {Refer Note 31(c)}	-	-	-	510.81	-	-	-	-	-	-	-	510.81
Purchase of treasury shares by the trust during the year (net) (Refer Note 13.2)	-	-	-	-	(764.32)	-	-	-	-	-	-	(764.32)
Transfer on account of exercise/lapse of options	-	-	-	(11.48)	-	-	11.48	-	-	-	-	-
Deferred Tax on revaluation of property, plant and equipment	-	-	-	-	-	-	-	27.03	-	-	-	27.03
Balance at 31 March 2020	55.19	693.95	10,272.44	535.43	(764.32)	-	13,765.46	10,347.90	3,135.22	95.20	224.86	38,361.33

Particulars	Reserve and surplus							Item of Other Comprehensive Income (OCI)			Non controlling Interest	Total other equity
	Capital reserve	General reserve	Securities premium	Share options outstanding reserve	Treasury Shares	Saregama Welfare Trust Reserve	Retained earnings	Revaluation surplus	Equity Instruments through OCI	Other items of OCI (FCTR)		
Balance at 1 April 2020	55.19	693.95	10,272.44	535.43	(764.32)	-	13,765.46	10,347.90	3,135.22	95.20	224.86	38,361.33
Profit for the year	-	-	-	-	-	-	11,255.41	-	-	-	91.05	11,346.46
Other comprehensive income for the year (net of tax)	-	-	-	-	-	-	(14.12)	-	3,095.28	(2.25)	(2.84)	3,076.07
Total comprehensive income for the year	-	-	-	-	-	-	11,241.29	-	3,095.28	(2.25)	88.21	14,422.53
Issue of equity shares under Saregama Employee Stock Option Scheme 2013	-	-	4.67	-	-	-	-	-	-	-	-	4.67
Final dividend on equity shares for the financial year 2019-20	-	-	-	-	-	-	(261.39)	-	-	-	-	(261.39)
Interim dividend on equity shares for the financial year 2020-21	-	-	-	-	-	-	(3,485.60)	-	-	-	-	(3,485.60)
Employee stock option expense (Refer Note 25)	-	-	-	137.71	-	-	-	-	-	-	-	137.71
Effect of modification of share based payment awards {Refer Note 31(c)}	-	-	-	150.61	-	-	-	-	-	-	-	150.61
Purchase of treasury shares by the trust during the year (net) (Refer Note 13 2)	-	-	-	-	(171.18)	-	-	-	-	-	-	(171.18)
Adjustment on account of exercise of options	-	-	-	(509.90)	509.90	-	-	-	-	-	-	-
Transfer on account of exercise/lapse of options	-	-	-	(101.74)	-	-	101.74	-	-	-	-	-
Deferred Tax on revaluation of property, plant and equipment	-	-	-	-	-	-	-	1.64	-	-	-	1.64
Expense of Trust for the year	-	-	-	-	-	(11.36)	-	-	-	-	-	(11.36)
Balance as at 31 March 2021	55.19	693.95	10,277.11	212.11	(425.60)	(11.36)	21,361.50	10,349.54	6,230.50	92.95	313.07	49,148.96

The description, nature and purpose of each reserve within other equity are as follows:

(i) **Capital reserve :** The Group recognises profit or loss on purchase, sale, issue or cancellation of the Group's own equity instruments to Capital Reserve. The Group also recognises gains or losses on transaction with Non-Controlling Interest which do not result on loss of control over subsidairy in the capital reserve

(ii) **General reserve :** Under the erstwhile Companies Act 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations Consequent to the introduction of the Companies Act, 2013 (the "Companies Act"), the requirement to mandatory transfer a specified percentage of net profit to general reserve has been withdrawn The amount credited to the reserve can be utilised by the Group in accordance with the provisions of the Companies Act. There is no movement in general reserve during the current and previous year.

(iii) **Securities premium :** This reserve represents the premium on issue of shares and can be utilised in accordance with the provisions of the Companies Act

(iv) **Share options outstanding reserve :** This reserve relates to stock options granted by the Parent Company to eligible employees under Saregama Employee Stock Option Scheme 2013 This reserve is transferred to securities premium or retained earnings on exercise or cancellations of vested options

(v) **Treasury Shares :** The Parent Company has formed Saregama Welfare Trust (SWT) for implementation of the Schemes that are notfied or may be notified from time to time by the Parent Company under the plan, providing shared based benefits to its employees. SWT purchases shares of the Parent Company out of funds borrowed from the Parent Company. The Parent Company treats SWT as its extension and shares held by SWT are treated as treasury shares

(vi) **Saregama Welfare Trust Reserve :** The Parent Company has formed Saregama Welfare Trust (SWT) for implementation of the Schemes that are notified or may be notified form time to time by the Parent Company under the plan, providing share based benefits to the employees SWT purchases shares of the Parent Company out of funds provided by the Parent Company The Parent Company treats SWT as its extension and shares held by SWT are treated as Treasury Shares Profit/(loss) on sale/transfer of treasury shares (net of tax) and dividend earned on the same by the SWT is recognized in SWT Reserve

(vii) **Retained earnings :** This reserve represents the cumulative profits of the Group and effects of remeasurement of defined benefit obligations This reserve can be utilised in accordance with the provisions of the Companies Act

(viii) **Revaluation surplus :** This reserve represents surplus on revaluation of Property, plant and equipment (land) and will be transferred directly to retained earning when the asset is derecognised

(ix) **Equity instruments through OCI (FVOCI) :** This reserve represents the cumulative gains (net of losses) arising on the revaluation of Equity Instruments at fair value though Other Comprehensive Income (OCI), net of amounts reclassified, if any, to Retained earnings when those instruments are disposed of.

(x) **Foreign currency translation reserve :** Exchange difference arising from translation of foreign operations are recognised in other comprehensive income as described in accounting policies [Refer note 1(a)(vi)] and accumulated in a separate reserve within equity The cumulative amount is reclassified to profit or loss on disposal of the net investment

The accompanying notes 1 to 42 are an integral part of these consolidated financial statements
As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Jayanta Mukhopadhyay
Partner
Membership Number: 055757

Place: Kolkata
Date: 12 May 2021

B S R & Co. LLP
KOLKATA
Chartered Accountants

For and on behalf of the Board of Directors of
Saregama India Limited
CIN : L22213WB1946PLC014346

Sanjiv Goenka
Chairman
DIN: 00074796

Vikram Mehra
Managing Director
DIN: 03556680

Vineet Garg
Chief Financial Officer

Kamana Goenka
Company Secretary
ACS: 35161

Place: Kolkata
Date: 12 May 2021

Place: Kolkata
Date: 12 May 2021

SAREGAMA INDIA LIMITED
Consolidated Statement of Cash Flow for the year ended 31 March 2021
(Amount in Rupees lakhs, except otherwise stated)

	Year ended 31 March 2021		Year ended 31 March 2020	
A. Cash Flow from Operating Activities				
Profit Before Tax		15,190.64		6,034.77
Adjustments for:				
Depreciation and amortisation expense	561.00		463.76	
Allowance for expected credit loss	134.77		159.98	
Finance costs	345.06		671.47	
Liabilities/Provisions no longer required written back	(589.18)		(328.09)	
Interest income	(1,690.72)		(378.82)	
Share based payment expense	137.71		21.78	
Bad debts/advances written off	25.52		5.03	
Loss on disposal of Property, plant and equipment	-		1.81	
Profit on sale of Property, plant and equipment	(0.17)		(0.12)	
Profit on sale of Investment in Mutual Fund	-		(0.12)	
Fair value gain on Mutual Fund	(16.51)		-	
Net loss / (gain) on unrealised foreign currency transactions	31.50		(78.97)	
Dividend income from equity investments designated at FVOCI	(695.28)		(309.03)	
		(1,756.30)		228.68
Operating profit before Working Capital Changes		13,434.34		6,263.45
Adjustments for:				
(Increase)/Decrease in Other current assets, Loans and deposits, Other non-current assets	(1,120.90)		2,171.94	
Increase in Other financial liabilities, Provisions, Other current liabilities	3,337.87		1,042.26	
Increase in Trade payables	221.47		233.98	
(Decrease)/Increase in Employee benefit obligations	(2.50)		105.50	
Decrease in Trade receivables	2,032.21		63.63	
Decrease in Inventories	2,444.26		266.00	
		6,912.41		3,883.31
Cash generated from operations		20,346.75		10,146.76
Income taxes paid (net of refund and interest)		(1,375.48)		(2,212.87)
Net cash generated from Operating Activities (A)		18,971.27		7,933.89
B. Cash Flow from Investing Activities				
Purchase of Property, plant and equipment and intangible assets	(2,200.71)		(827.80)	
Sale of Property, plant and equipment	0.17		0.12	
Interest received	190.98		28.38	
Investment in equity shares of other company (quoted)	(92.70)		-	
Dividend income from equity investments designated at FVOCI	695.28		309.03	
Investment in Mutual funds	(2,499.87)		(150.00)	
Proceeds from sale of Investment in Mutual funds	-		150.12	
Fixed deposits placed with banks (with maturity more than 3 months)	(9,703.58)		(12.06)	
Net cash used in Investing Activities (B)		(13,610.43)		(502.21)
C. Cash Flow from Financing Activities				
Repayment of Short term borrowings	(923.22)		(5,453.31)	
Proceeds form issue of shares	0.20		1.55	
Share premium received on issue of shares	4.67		19.72	
Purchase of Investment by Saregama Welfare Trust (Treasury Shares) (net)	(171.18)		(764.32)	
Repayment of principal portion of lease liabilities	(52.72)		(78.91)	
Interest paid on lease liabilities	(3.67)		(9.02)	
Interest paid on others	(55.09)		(332.29)	
Dividend paid	(261.39)		(522.60)	
Dividend distribution tax paid	-		(107.42)	
Interim dividend	(3,485.60)		-	
Net cash used in Financing Activities (C)		(4,948.00)		(7,246.60)
Net increase in cash and cash equivalents (A+B+C)		412.84		185.08
Cash and Cash Equivalents at the beginning of the year (Refer Note 10.3)		704.70		500.21
Effect of exchange rate changes		(4.05)		19.41
Cash and Cash Equivalents at the end of the year (Refer Note 10.3)		1,113.49		704.70

B S R & Co. LLP KOLKATA Chartered Accountants

SAREGAMA INDIA LTD.

SAREGAMA INDIA LIMITED
Consolidated Statement of Cash Flow for the year ended 31 March 2021 (continued)
(Amount in Rupees lakhs, except otherwise stated)

Notes:

1. The above Cash Flow Statement has been prepared under the Indirect Method as set out in Ind AS - 7 "Statement of Cash Flows".
2. Reconciliation of liabilities from financing activities:

	Balance as at 1 April 2020	**Cash flows**	**Non-cash changes**	**Balance as at 31 March 2021**
Borrowings	**923.22**	**(923.22)**	**-**	**-**
Lease liabilities	**47.03**	**(56.39)**	**119.58**	**110.22**
Total liabilities from financing activities	**970.25**	**(979.61)**	**119.58**	**110.22**

	Balance as at 1 April 2019	Cash flows	Non-cash changes	Balance as at 31 March 2020
Borrowings	6,376.53	(5,453.31)	-	923.22
Lease liabilities	-	(87.93)	134.96	47.03
Total liabilities from financing activities	6,376.53	(5,541.24)	134.96	970.25

The accompanying notes 1 to 42 are an integral part of these consolidated financial statements
As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Jayanta Mukhopadhyay
Partner
Membership Number: 055757

Place: Kolkata
Date: 12 May 2021

For and on behalf of the Board of Directors of
Saregama India Limited
CIN : L22213WB1946PLC014346

Sanjiv Goenka
Chairman
DIN: 00074796

Vikram Mehra
Managing Director
DIN: 03556680

Vineet Garg
Chief Financial Officer

Kamana Goenka
Company Secretary
ACS: 35161

Place: Kolkata
Date: 12 May 2021

Place: Kolkata
Date: 12 May 2021

Background

Saregama India Limited ("the Company") is a Company limited by shares, incorporated and domiciled in India. Saregama India Limited (Parent Company) and its subsidiaries (Parent Company and its subsidiaries together referred as "Group") is primarily engaged in the business of manufacturing and sale of Music storage device viz. Carvaan, Music Card, Audio Compact Discs, Digital Versatile Discs and dealing with related music rights. The Group is also engaged in production and sale/telecast/broadcast of films/Tv Serials, pre-recorded programmes and dealing in film rights, printing of printed materials and marketing support services as detailed under segment information in Note 41. Equity shares of the Parent Company are listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The registered office of the Parent Company is located in Kolkata, West Bengal, India.

The consolidated financials statements were approved and authorised for issue with the resolution of the Board of Directors on 12 May 2021.

1 Significant Accounting Policies

The significant accounting policies applied by the Group in the preparation of its consolidated financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these consolidated financial statements.

(a) Basis of the Preparation

(i) Compliance with Ind AS

These Consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the 'Act') [Companies (Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

(ii) Basis of measurement

(a) Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities (including derivative instruments) that is measured at fair value;
- Net Defined benefit (assets)/liability - Fair value of plan assets less present value of defined benefit obligations; and
- Share based payments.

(b) Functional and presentation currency

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the Parent Company operates ('the functional currency'). The consolidated financial statements are presented in Indian Rupee (Rs.), which is the Group's functional and presentation currency.

(iii) Current Versus Non-current Classification

All assets and liabilities have been classified as current or non current as per the Group's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013 and Ind AS 1 - Presentation of financial statement based on the nature of products / service and the time between the acquisition of assets for processing / providing the services and their realisation in cash and cash equivalents. The Group has ascertained its operating cycle as 12 months for the purpose of current, non current classification of assets and liabilities.

Assets

An asset is classified as current when it satisfies any of the following criteria:

(a) it is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle;
(b) it is held primarily for the purpose of being traded;
(c) it is expected to be realised within 12 months after the reporting date; or
(d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.
All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

(a) it is expected to be settled in the Group's normal operating cycle;
(b) it is held primarily for the purpose of being traded;
(c) it is due to be settled within 12 months after the reporting date; or
(d) the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.
All other liabilities are classified as non-current.
Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(iv) Principles of consolidation and equity accounting

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

Joint arrangements

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligation of each investors, rather than the legal structure of the joint arrangement. The Group has one joint venture, Saregama Regency Optimedia Private Limited (SROPL), which is under liquidation with effect from 19 September 2016. Accordingly, this entiy has not been consolidated by the Group [Refer note 36(b)].

Joint ventures

Interest in joint ventures are accounted for using the equity method (see below), after initially being recognised at cost in the consolidated balance sheet.

Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its joint venture are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provide evidence of an impairment of the asset transferred. Accounting policies of equity accounted investee have been changed where necessary to ensure consistency with the policies adopted by the group.

(v) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The chief operating decision maker is responsible for allocating resources and assessing performance of the operating segments and has been identified as the Chief Financial Officer of the Group. Refer note 41 for segment information presented.

(vi) Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian Rupee (Rs.), which is Parent Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in profit or loss.

Foreign currency non-monetary items carried in terms of historical cost are reported using the exchange rate at the date of the transactions.

B S R & Co. LLP
KOLKATA
Chartered Accountants

SAREGAMA INDIA LTD.

Group Companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into presentation currency as follows:

• Assets and liabilities are translated at the closing rate at the date of that balance sheet.
• Income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
• All resulting exchange differences are recognised in other comprehensive income.

(b) **Revenue recognition**

The Group has applied Ind AS 115, Revenue from Contracts with Customers, which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those products or services.

- Revenue from the sale of products is recognised at the point in time when control is transferred to the customer. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

- Revenue from Music licensing where the customer obtains a "right to use" is recognized at the time the license is made available to the customer. Revenue from licenses where the customer obtains a "right to access" is recognized over the access period.

- Revenue from the sale of television serial episodes is recognised upfront at the point in time when the episode is delivered to the customer.

- Revenue from sale of free commercial time (net of trade discount, as applicable) are recognised when the related advertisement or commercials appears before the public, i.e. on telecast.

- Revenue from theatrical distribution is recognised on exhibition of films. In case of distribution through theatres, revenue is recognised on the basis of box office reports received from various exhibitors. Contracted minimum guarantees are recognised on theatrical release.

- Revenue from Sale of films rights are recognised on assignment of such rights as per terms of the sale/licencing agreements.

- Revenue from current affairs and features magazine is recognised in the period in which the magazines are sold and are accounted for net of commission and discounts. Revenue from subscription to the Group's print publications is recognised as earned, prorata on a per issue basis over the subscription period.

The billing schedules agreed with customers include periodic performance based payments and / or milestone based progress payments. Invoices are payable within contractually agreed credit period.

Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Use of significant judgements in revenue recognition :

- The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as how customer consumes benefits as services are rendered, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc. Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, price concessions and incentives.

Interest income

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable.

Dividend income

Dividend income from investments is recognised when the shareholder's rights to receive payment have been established.

Rental income

Rental income from investment properties and subletting of properties is recognised on a straight line basis over the term of the relevant leases.

Government Grant

The Group may receive government grants that require compliance with certain conditions related to the Group's operating activities or are provided to the Group by way of financial assistance on the basis of certain qualifying criteria.

Accordingly, government grants by way of financial assistance on the basis of certain qualifying criteria are recognised as they become receivable.

(c) **Property, Plant and Equipment - (PPE)**

All items of property, plant and equipment other than freehold land are stated at historical cost i.e. cost of acquisition/construction or at deemed cost as on the date of transition to Ind AS less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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 Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to statement of profit or loss during the reporting period in which they are incurred.

Revaluation of Land is made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet date. When the fair value differs materially from its carrying amount, the carrying amount is adjusted to the revalued amount. The fair value is determined based on appraisal undertaken by a professionally qualified valuer.

Depreciation method, estimated useful lives and residual values

Depreciation is calculated on a pro-rata basis using the straight-line method to allocate their cost, net of their estimated residual values, over the estimated useful lives of the asset as prescribed under Schedule II to the Companies Act, 2013.

The useful lives, residual values and the method of depreciation of property, plant and equipment are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amounts.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in profit or loss within 'Other Income'/'Other Expenses'.

Advances paid towards the cost of property, plant and equipment outstanding at each balance sheet date is classified as 'Capital advances' under other non- current assets.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

(d) **Investment properties**

Properties that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that the future economic benefits associated with the expenditure will flow to the Group and the cost of item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

Investment properties are depreciated using the straight-line method over their estimated useful lives of the assets as prescribed under Schedule II to the Companies Act, 2013.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its investment properties recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of investment properties.

(e) **Intangible assets**

Intangible assets has a finite useful life and are stated at cost less accumulated amortisation and accumulated impairment losses, if any.

(i) Music copyrights

Outright acquisition of music copyrights wherein future economic benefits are established are capitalised. They have finite useful lives and are subsequently carried at cost less accumulated amortisation and impairment losses.

(ii) Computer software

Software for internal use, which is primarily acquired from third-party vendors is capitalised. Subsequent costs associated with maintaining such software are recognised as expense as incurred. Cost of software includes license fees and cost of implementation/system integration services, where applicable.

Amortisation method and year

The Group amortises intangible assets with a finite useful lives using the straight-line method over the following periods:

Music Copyrights acquired through outright purchase are amortised over a period of one to ten years from the date of release of Music. The Group reviews the expected future revenue potential at the end of each accounting period and recognises impairment loss, where required.

Softwares are amortised on a straight line basis over a period of three years from the date of capitalisation.

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Advances paid towards the cost of intangible assets outstanding at each balance sheet date is classified as 'Capital advances' under other non- current assets.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its intangible assets recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

(f) **Impairment of non-financial assets**

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units).

(g) **Leases**

The Group as a lessee

The Group's lease asset classes primarily consist of leases for buildings and vehicles. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii)the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

The Group has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Group as a lessor

At the inception of the lease the Group classifies each of its leases as either an operating lease or a finance lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. The Group recognises lease payments received under operating leases as income on a straight- line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

Under the erstwhile standard Ind AS 17, operating lease payments as per terms of the agreement, were recognised as an expense in the Statement of Profit and Loss on a straight line basis, except where another systematic basis was more representative of the time pattern in which economic benefits from the leased asset were consumed.

Effective 01 April 2019, the Group adopted Ind AS116 'Leases" and applied the standard to lease contracts existing on 01 April 2019 using the modified retrospective method on the date of initial application. Consequently, the lease liabilities is recognized at the present value of lease payment discounted at the weighted average incremental borrowing rate and same amount is recognized for ROU assets.

The following is the summary of practical expedients elected on initial application:

•Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
•Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term and low value leases on the date of initial application.
•Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
•Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

(h) **Inventories**

Physical inventory (caravan, music card and others): Inventories are valued at lower of cost and net realisable value. The cost is determined on weighted average basis, and includes, where applicable, appropriate share of overheads. Provision is made for obsolete / slow moving / defective stocks, where necessary. The costs of purchase of inventories comprise the purchase price, import duties and other taxes (other than those subsequently recoverable by the entity from the taxing authorities), and transport, handling and other costs directly attributable to the acquisition of finished goods.

Media Content is expensed/amortised as under:
a. Television serials: Cost of a television serial is fully expensed on telecast/broadcasting.
b. Digital films: 10% of cost of digital films is recognised as expense in Statement of Profit and Loss on the date of theatrical release of the film, balance is charged off on licencing of digital rights.
Media cost includes cost of acquisition / direct production cost / royalty. Television serials/Digital films under production are included under 'Work-in-Progress'. Media Content are stated at lower of cost, realisable value or revenue potential.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(i) **Investments (other than investments in subsidiaries) and other financial instruments**

(i) Classification

The Group classifies its financial assets in the following measurement categories:
- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss);
- those to be measured at amortised cost; and

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. In accordance with Ind AS 101, the Group had irrevocably designated its investment in equity instruments as FVOCI on the date of transition to Ind AS.

(ii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Equity Instruments : The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Changes in the fair value of financial assets at fair value through profit or loss are recognised in the Statement of Profit and Loss.

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method.

(iii) Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets which are not fair valued through profit or loss. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 33(A) details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables only, the Group applies the simplified approach as per Ind AS 109,'Financial Instruments', which requires expected lifetime losses to be recognised from initial recognition of the receivables.

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(iv) Derecognition of financial assets

A financial asset is derecognised only when

- the Group has transferred the rights to receive cash flows from the financial asset; or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(v) Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL.

(vi) Financial liabilities through fair value through profit or loss (FVTPL)

A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

(vii)Financial liabilities at amortised cost

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit and Loss.

Any gain or loss on derecognition is also recognised in Statement of Profit and Loss.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximates fair value due to the short maturity of these instruments.

(viii) Fair value of financial instruments

In determining the fair value of financial instruments, the Group uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis and available quoted market prices. All methods of assessing fair value result in general approximation of value, and such value may never actually be realised.

(j) **Offsetting financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

(k) **Trade receivables**

Trade receivables are amounts due from customers for goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

(l) **Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

(m) **Trade payables**

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method

(n) **Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(o) **Borrowing costs**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred, unless they are capitalised.

(p) **Foreign currency transactions and translation**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. At the year-end, monetary assets and liabilities denominated in foreign currencies are restated at the year - end exchange rates. The exchange differences arising from settlement of foreign currency transactions and from the year-end restatement are recognised in profit and loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Foreign currency non-monetary items carried in terms of historical cost are reported using the exchange rate at the date of the transactions.

(q) **Employee benefits expense**

(i) Short-term employee benefits

Liabilities for short-term employee benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as 'Employee Benefits Payable' within 'Other Current Liabilities' in the Balance Sheet.

(ii) Other long-term employee benefits

The liabilities for leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured annually by actuaries as the present value of expected future benefits in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

(iii) Post-employment benefits

Defined benefit plans

The liability or asset recognised in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in 'Employee Benefits Expense' in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in Other Comprehensive Income. These are included in 'Retained Earnings' in the Statement of Changes in Equity in the balance sheet.

Defined contribution plans

The Group has certain defined contribution plans viz. provident fund and superannuation fund. Contributions for provident fund are made at specified percentage of the covered employee's qualifying salary to a government administered fund. Contribution for superannuation fund are made yearly based on a specified percentage of each covered employee's salary to a Trust set up by the Group. Contributions under Defined Contribution Plans are recognised as expenses for the period in which the employee has rendered the service.

(iv) Share-based payments

Share-based compensation benefits are provided to employees via Saregama Employee Stock Options Scheme 2013, Stock Appreciation Rights Scheme 2014.and Stock Appreciation Rights Scheme 2018.

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Employee Options

The fair value of the options granted under the Saregama Employee Stock Option Scheme 2013 is recognised as an employee benefits expense in the statement of profit and loss with a corresponding adjustments to equity. The fair value at grant date is determined using the Black Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and risk free interest rate for the term of the option. The total amount to be expensed is determined by reference to the fair value of the options granted:

- Including any market performance conditions (e.g., the entity's share price);

- excluding the impact of any services and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining and employee of the entity over a specified time period); and

- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holdings shares for a specified period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in the statement of profit or loss, with a corresponding adjustment to equity.

Share appreciation rights

Liabilities for the Parent Company's Share Appreciation Rights (SAR), granted pursuant to Parent Company's share appreciaton rights schemes, is measured initially and at the end of each reporting period until settled, at fair value of the SAR, by applying option pricing model, and is recognised as employee benefit expense over the relevant service period. The liabilities are presented as employee benefits obligations in the balance sheet.

(r) **Royalty**

Minimum Guarantee Royalty is recognised as expense within the license period or ten years, whichever is earlier. Royalty on sales, other than physical sales, is provided on the basis of management's best estimate of the expenditure required to settle the obligation. Other royalty payments are charged at agreed rates on related sales.

(s) **Income tax**

The income tax expense for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax credits and to unused tax losses, as applicable.

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, if any, only if it is probable that future taxable amounts will be available to utilise those temporary differences, tax credits and losses.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax are recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity, if any. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(t) **Provisions and contingencies**

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

A disclosure for contingent liabilities 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 Group 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 the amount cannot be made.

(u) **Dividend Distribution**

Dividends paid are recognised in the period in which the interim dividends are approved by the Board of Directors, or in respect of the final dividend when approved by shareholders.

(v) **Earnings per share**

(i) Basic Earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Group
- by the weighted average number of equity shares outstanding during the financial year excluding treasury shares

(ii) Diluted Earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(w) **Rounding of amounts**

All amounts disclosed in the Consolidated Financial Statements and notes have been rounded off to the nearest lakhs (with two places of decimal) as per the requirement of Schedule III, unless otherwise stated.

(x) **Recent accounting pronouncements- Standard issued but not yet effective**

Mininstry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable for the Group from 1 April 2021.

2 **Critical estimates and judgements**

The preparation of consolidated financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these consolidated financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed at each Balance Sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

This Note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the consolidated financial statements.

SAREGAMA INDIA LTD.

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The areas involving critical estimates or judgements are:

- Employee benefits (estimation of defined benefit obligations) - Note 1(q) and Note 30

Post-employment benefits represent obligations that will be settled in future and require assumptions to estimate benefit obligations. Post-employment benefit accounting is intended to reflect the recognition of benefit costs over the employees' approximate service period, based on the terms of the plans and the investment and funding decisions made. The accounting requires the Group to make assumptions regarding variables such as discount rate and salary growth rate. Changes in these key assumptions can have a significant impact on the defined benefit obligations.

- Impairment of trade receivables — Note 1(i)(iii) and Note 33

For impairment of trade receivable, Group applies the simplified approach permitted by Ind AS 109,'Financial Instruments', which requires expected lifetime losses to be recognised from initial recognition of the receivables.

- Estimation of expected useful lives of property, plant and equipment - Note 1(c) and Note 3

Management reviews its estimate of useful lives of property, plant and equipment at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of property, plant and equipment.

- Contingencies - Note 1(t) and Note 38

Legal proceedings covering a range of matters are pending against the Group. Due to the uncertainty inherent in such matters, it is often difficult to predict the final outcome. The cases and claims against the Group often raise factual and legal issues that are subject to uncertainties and complexities, including the facts and circumstances of each particular case/claim, the jurisdiction and the differences in applicable law. The Group consults with legal counsel and other experts on matters related to specific litigations where considered necessary. The Group accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated. In the event an adverse outcome is possible or an estimate is not determinable, the matter is disclosed.

- Valuation of deferred tax assets - Note 1(s) and Note 15

Deferred income tax expense is calculated based on the differences between the carrying value of assets and liabilities for financial reporting purposes and their respective tax bases that are considered temporary in nature. Valuation of deferred tax assets is dependent on management's assessment of future recoverability of the deferred tax benefit. Expected recoverability may result from expected taxable income in the future, planned transactions or planned optimising measures. Economic conditions may change and lead to a different conclusion regarding recoverability.

- Fair value measurements — Notes 1(i)(viii) and Note 32

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair values are measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

Estimation of uncertainties relating to the global health pandemic from COVID-19:

In view of pandemic relating to COVID – 19, the Group has considered internal and external information available up to the date of approval of these consolidated financial statements and has performed analysis in assessing the recoverability of its assets including trade receivables, inventories, investments, other financial and non-financial assets, for possible impact on these consolidated financial statements. The Group has also assessed the impact of this whole situation on its capital and financial resources, profitability, liquidity position, etc. On the basis of its present assessment and current indicators of future economic conditions, the Group does not anticipate any material impact on these consolidated financial statements. However, the actual impact of COVID – 19 on the Group's financial statements may differ from that estimated and the Group will continue to closely monitor any material changes to future economic conditions.

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SAREGAMA INDIA LIMITED
Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)
(Amount in Rupees lakhs, except otherwise stated)

3 Property, plant and equipment (PPE)

Description	Gross carrying amount				Accumulated depreciation				Carrying amount (net)	
	Cost as at 1 April 2020	Additions/ adjustments	Deductions/ adjustments	Cost as at 31 March 2021	As at 1 April 2020	Depreciation for the year	Deductions/ adjustments	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020
Land - Freehold	20,007.76	-	-	20,007.76	-	-	-	-	20,007.76	20,007.76
Buildings - Freehold	70.59	-	-	70.59	27.66	4.06	-	31.72	38.87	42.93
Buildings	37.71	-	-	37.71	3.20	0.80	-	4.00	33.71	34.51
Plant and equipment	3.14	-	-	3.14	3.14	-	-	3.14	-	-
Furniture and fixtures	470.67	4.99	-	475.66	254.05	50.60	-	304.65	171.01	216.62
Office equipment	766.28	109.17	1.20	874.25	538.80	130.13	1.20	667.73	206.52	227.48
Vehicles	9.56	-	4.38	5.18	9.56	-	4.38	5.18	-	-
Total	**21,365.71**	**114.16**	**5.58**	**21,474.29**	**836.41**	**185.59**	**5.58**	**1,016.42**	**20,457.87**	**20,529.30**

Description	Gross carrying amount				Accumulated depreciation				Carrying amount (net)
	Cost as at 1 April 2019	Additions/ adjustments	Deductions/ adjustments	Cost as at 31 March 2020	As at 1 April 2019	Depreciation for the year	Deductions/ adjustments	As at 31 March 2020	As at 31 March 2020
Land - Freehold	20,007.76	-	-	20,007.76	-	-	-	-	20,007.76
Buildings - Freehold	70.59	-	-	70.59	23.69	3.97	-	27.66	42.93
Buildings	37.71	-	-	37.71	2.40	0.80	-	3.20	34.51
Plant and equipment	3.14	-	-	3.14	2.42	0.72	-	3.14	-
Furniture and fixtures	445.41	25.26	-	470.67	203.90	50.15	-	254.05	216.62
Office equipment	656.99	114.39	5.10	766.28	418.67	123.42	3.29	538.80	227.48
Vehicles	9.56	-	-	9.56	9.56	-	-	9.56	-
Total	21,231.16	139.65	5.10	21,365.71	660.64	179.06	3.29	836.41	20,529.30

3.1 The Group has chosen the revaluation model for land and cost model for other items of PPE as its accounting policy [Refer Note 1(c)]. Accordingly, Parent Company's land was revalued on 1 April 2016 by registered valuer using market approach. Resultant incremental value amounting to Rs. 11,640.29 lakhs were added to the book value of related land with corresponding credit to OCI and other equity. The carrying amount of land that would have been recognised had it been carried under the cost model is Rs.6,567.47 Lakhs.

3.2 Title deeds of the immovable properties as set out in the above table are in the name of the Parent Company.

3.3 The Parent Company has borrowings from banks which carry charge over certain of the above PPE (Refer Note 16.1 for details).

3.4 Aggregate amount of depreciation has been included under 'Depreciation and amortisation expense' in the Statement of Profit and Loss (Refer Note 27).

SAREGAMA INDIA LTD.

B S R & Co. LLP KOLKATA Chartered Accountants

4 The Group as a Lessee

Following are the changes in the carrying value of right-of- use assets for the year ended 31 March 2021:

Particulars	**Leasehold premises and vehicles**
Balance as of 1 April 2020	**44.32**
Additions	**115.91**
Deletion	**-**
Depreciation	**50.77**
Balance as of 31 March 2021	**109.46**

Following are the changes in the carrying value of right-of- use assets for the year ended 31 March 2020:

Particulars	Leasehold premises and vehicles
Balance as of 1 April 2019	-
Reclassified on account of adoption of Ind AS 116 as at 1 April 2019	117.97
Additions	7.97
Deletion	-
Depreciation	81.62
Balance as of 31 March 2020	44.32

Aggregate amount of depreciation has been included under 'Depreciation and amortisation expense' in the Statement of Profit and Loss (Refer Note 27).

The following is the break-up of current and non-current lease liabilities:

Particulars	**As at 31 March 2021**	As at 31 March 2020
Current lease liabilities	**35.58**	47.03
Non-current lease liabilities	**74.64**	-
Total	**110.22**	47.03

The following is the movement in lease liabilities during the year ended 31 March 2021:

Particulars	**Leasehold premises and vehicles**
Balance as of 1 April 2020	**47.03**
Additions	**115.91**
Finance cost accrued during the year	**3.67**
Deletion	**-**
Payment of lease liabilities	**56.39**
Balance as of 31 March 2021	**110.22**

The following is the movement in lease liabilities during the year ended 31 March 2020:

Particulars	Leasehold premises and vehicles
Balance as of 1 April 2019	-
Reclassified on account of adoption of Ind AS 116 as at 1 April 2019	117.97
Additions	7.97
Finance cost accrued during the year	9.02
Deletion	-
Payment of lease liabilities	87.93
Balance as of 31 March 2020	47.03

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	**As at 31 March 2021**	As at 31 March 2020
Less than one year	**44.85**	48.91
One to five years	**82.23**	-
More than five years	**-**	-
Total	**127.08**	48.91

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The Group has has incurred expenses relating to short term leases and leases of low value assets for certain accommodation. Terms of such lease include option for renewal on mutually agreed terms. There are no restrictions imposed by lease arrangements and there are no purchase options or sub leases or contingent rents. Operating lease rentals for the year recognised in Statement of Profit and Loss amounts to **Rs.409.41 Lakhs** (2019-20 - Rs.425.59 Lakhs).

The total cash outflow for leases is Rs. 465.80 Lakhs for the year ended 31 March 2021 (2019-20 - Rs.513.52 Lakhs) , including cash outflow for short term leases and leases of low value assets.

The Group as a Lessor

Rent income includes payments of **Rs.18.96 Lakhs** (2019-20 Rs.23.58 Lakhs) for the year relating to agreements entered into by the Group. There are no restrictions imposed by lease arrangements and there are no contingent rents recognised as income for the period. These lease arrangements inter alia include escalation clause/option for renewal.

(Amount in Rupees lakhs, except otherwise stated)

5 Investment properties

	As at 31 March 2021	As at 31 March 2020
Gross carrying amount		
At the beginning of the year	252.71	252.71
Additions during the year	-	-
Deletions during the year	-	-
At the end of the year	252.71	252.71
Accumulated depreciation		
At the beginning of the year	22.15	16.59
Depreciation charge during the year	5.53	5.56
At the end of the year	27.68	22.15
Carrying amount (net)	225.03	230.56

(i) Amounts recognised in statement of profit or loss for investment properties

	Year ended 31 March 2021	Year ended 31 March 2020
Rental income (Refer Note 21)	18.96	23.58
Profit from investment properties before depreciation	18.96	23.58
Depreciation (Refer Note 27)	5.53	5.56
Profit from investment properties	13.43	18.02

(ii) Fair value

	As at 31 March 2021	As at 31 March 2020
Investment properties	2,049.28	1,874.01

Estimation of fair value

The Parent Company obtains independent valuations for its investment properties at least annually. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the Parent Company consider information from a variety of sources including:

- current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences
- discounted cash flow projections based on reliable estimates of future cash flows
- capitalised income projections based upon a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence

The fair values of investment properties have been determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

SAREGAMA INDIA LTD.

B S R & Co. LLP KOLKATA Chartered Accountants

(Amount in Rupees lakhs, except otherwise stated)

6 Intangible assets

Description	Gross carrying amount				Accumulated amortisation and impairment							Carrying amount (net)	
	Cost as at 1 April 2020	Additions/ adjustments	Deductions/ adjustments	Cost as at 31 March 2021	Amortisation as at 1 April 2020	Impairment as at 1 April 2020	Amortisation for the year	Impairment/ (Reversal) for the year	Deductions/ adjustments	Amortisation as at 31 March 2021	Impairment as at 31 March 2021	As at 31 March 2021	As at 31 March 2020
Copyrights-Music	1,723.87	978.73	-	2,702.60	627.99	-	297.70	-	-	925.69	-	1,776.91	1,095.88
Computer Software	141.26	18.03	66.97	92.32	120.78	-	21.41	-	66.97	75.22	-	17.10	20.48
Total	1,865.13	996.76	66.97	2,794.92	748.77	-	319.11	-	66.97	1,000.91	-	1,794.01	1,116.36

Description	Gross carrying amount				Accumulated amortisation and impairment							Carrying amount (net)
	Cost as at 1 April 2019	Additions/ adjustments	Deductions/ adjustments	Cost as at 31 March 2020	Amortisation as at 1 April 2019	Impairment as at 1 April 2019	Amortisation for the year	Impairment/ (Reversal) for the year	Deductions/ adjustments	Amortisation as at 31 March 2020	Impairment as at 31 March 2020	As at 31 March 2020
Copyrights-Music	1,128.88	594.99	-	1,723.87	447.99	-	180.00	-	-	627.99	-	1,095.88
Computer Software	135.22	6.04	-	141.26	103.26	-	17.52	-	-	120.78	-	20.48
Total	1,264.10	601.03	-	1,865.13	551.25	-	197.52	-	-	748.77	-	1,116.36

6.1 The amortisation expense of intangible assets have been included under 'Depreciation and amortisation expense' in the Statement of Profit and Loss (Refer Note 27).

SAREGAMA INDIA LTD.

B S R & Co. LLP KOLKATA Chartered Accountants

SAREGAMA INDIA LIMITED
Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)
(Amount in Rupees lakhs, except otherwise stated)

7 Financial assets (non-current)

7.1 Investments

	Face value of each unit as at 31 March 2021	Face value of each unit as at 31 March 2020	Number of shares as at 31 March 2021	Number of shares as at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Investments carried at fair value through other comprehensive income						
Quoted - fully paid equity shares in other companies						
CESC Limited	Rs.10	Rs.10	15,44,988	15,44,988	9,170.28	6,315.20
Phillips Carbon Black Limited	Rs.2	Rs.2	500	500	0.95	0.31
Harrisons Malayalam Limited	Rs.10	Rs.10	100	100	0.14	0.05
CFL Capital Financial Services Limited	Rs.10	Rs.10	100	100	0.02	0.02
STEL Holdings Limited	Rs.10	Rs.10	100	100	0.08	0.04
RPSG Ventures Limited (formerly CESC Ventures Limited)	Rs.10	Rs.10	3,08,997	3,08,997	1,041.79	362.07
Spencers Retail Limited (formerly RP-SG Retail Limited)	Rs.5	Rs.5	10,50,590	9,26,992	741.71	687.92
Unquoted - fully paid equity shares in other companies						
Spencer and Company Limited	Rs.9	Rs.9	200	200	1.04	0.58
Woodlands Multispeciality Hospital Limited	Rs.10	Rs.10	2,250	2,250	5.60	5.60
Timbre Media Private Limited	Rs.10	Rs.10	2,30,000	2,30,000	179.59	172.36
Total investments					11,141.20	7,544.15
Aggregate carrying value of quoted investments and market value thereof					10,954.97	7,365.61
Aggregate carrying value of unquoted investments					186.23	178.54
Aggregate provision for impairment in the value of investments					-	-

Equity shares designated at fair value though other comprehensive income (FVOCI)	Fair value as at 31 March 2021	Dividend income recognised during 2020-21	Fair value as at 31 March 2020	Dividend income recognised during 2019-20
Investment in CESC Limited	9,170.28	695.25	6,315.20	309.00
Investment in Phillips Carbon Black Limited	0.95	0.03	0.31	0.03
Investment in Harrisons Malayalam Limited	0.14	-	0.05	-
Investment in CFL Capital Financial Services Limited	0.02	-	0.02	-
Investment in RPSG Ventures Limited (formerly CESC Ventures Limited)	1,041.79	-	362.07	-
Investment in Spencers Retail Limited (formerly RP-SG Retail Limited)	741.71	-	687.92	-
Investment in STEL Holdings Limited	0.08	-	0.04	-
Investment in Spencer and Company Limited	1.04	-	0.58	-
Investment in Woodlands Multispeciality Hospital Limited	5.60	-	5.60	-
Investment in Timbre Media Private Limited	179.59	-	172.36	-
Total	11,141.20	695.28	7,544.15	309.03

SAREGAMA INDIA LTD.

B S R & Co. LLP KOLKATA Chartered Accountants

7.2 Loans and deposits

	As at 31 March 2021	As at 31 March 2020
Security deposits		
Unsecured, considered good	193.64	472.47
Unsecured, considered doubtful	57.56	-
Less: Provision for doubtful deposits	(57.56)	-
Total loans and deposits	193.64	472.47

7.3 Other financial assets

	As at 31 March 2021	As at 31 March 2020
Bank deposits with maturity more than 12 months*		
Unsecured, considered good	0.25	0.25
Total other financial assets	0.25	0.25

* Lying with Government authority **Rs.0.25 Lakh** (31 March 2020 - Rs.0.25 Lakhs)

8 Other non-current assets

	As at 31 March 2021	As at 31 March 2020
Capital advances		
Unsecured, considered good	1,058.38	163.62
Unsecured, considered doubtful	36.38	36.38
Less: Provision for doubtful advances	(36.38)	(36.38)
	1,058.38	163.62
Prepaid expenses		
Unsecured, considered good	58.54	72.08
Total other non-current assets	1,116.92	235.70

9 Inventories [Refer Note:1(h)]

	As at 31 March 2021	As at 31 March 2020
Raw materials	22.19	14.96
Finished goods		
Untelecasted television serials/digital films	249.71	264.32
Carvaan/music card and others @	4,513.73	7,248.70
Work-in-progress		
Digital films under production	2,133.68	1,835.59
Total inventories	6,919.31	9,363.57

@ Includes good in transit worth **Rs.141.07 Lakhs** (31 March 2020 - Rs 82.40 Lakhs)

10 Financial assets (current)

10.1 Investments

	As at 31 March 2021	As at 31 March 2020
Investments carried at fair value through profit and loss Units of Mutual funds (quoted)	2,516.38	-
Total investments	2,516.38	-
Aggregate carrying value of quoted investments and market value thereof	2,516.38	-

10.2 Trade receivables

	As at 31 March 2021	As at 31 March 2020
Trade receivables		
Unsecured, considered good	9,563.28	11,636.05
Credit impaired	353.19	353.19
Less: Allowance for expected credit loss	(1,181.17)	(1,143.40)
Total trade receivables	8,735.30	10,845.84

Notes:

(a) No trade receivables are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

(b) Information about the Group's exposure to credit and currency risks related to trade receivables are disclosed in Note 33.

10.3 Cash and cash equivalents

	As at 31 March 2021	As at 31 March 2020
Cash on hand	1.75	3.15
Bank balances:		
- Current accounts	1,111.74	701.55
Total cash and cash equivalents	1,113.49	704.70

BSR & Co. LLP KOLKATA Chartered Accountants

SAREGAMA INDIA LTD.

SAREGAMA INDIA LIMITED
Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)
(Amount in Rupees lakhs, except otherwise stated)

10.4 Other bank balances

	As at 31 March 2021	As at 31 March 2020
Earmarked balances with bank		
Deposits (with original maturity more than 3 months but remaining maturity period less than 12 months) #	9,878.00	174.42
Unpaid dividend accounts @	20.27	20.19
Interim dividend account *	3,485.60	-
Total other bank balances	13,383.87	194.61

Includes **Rs.187.96 Lakhs** deposited with Delhi Court (31 March 2020 - Rs.172.42 Lakhs).
@ Earmarked for payment of unclaimed dividend
* Represents amount transferred to dividend escrow account pertaining to interim dividend declared on 23 March 2021.

10.5 Loans and deposits
(Unsecured,considered good unless otherwise stated)

	As at 31 March 2021	As at 31 March 2020
Loans to related parties (Refer Note 35)	-	3.63
Loan to employees **	923.58	27.48
Security deposits	234.57	-
Total loans and deposits	1,158.15	31.11

** includes loan to director (Refer Note 35)

10.6 Other financial assets

	As at 31 March 2021	As at 31 March 2020
Interest accrued on deposits with banks	185.60	7.24
Total other financial assets	185.60	7.24

11 Current tax assets (net)

	As at 31 March 2021	As at 31 March 2020
Advance payment of Income Tax and Tax Deducted at Source [net of Provision for Taxation **Rs.12,739.92 Lakhs** (31 March 2020 - Rs 8,966.84 Lakhs)]	1,966.07	3,689.46
Total current tax assets (net)	1,966.07	3,689.46

12 Other current assets
(Unsecured,considered good unless otherwise stated)

	As at 31 March 2021	As at 31 March 2020
Minimum guarantee royalty advances	624.83	1,726.16
Royalty advances		
Unsecured, considered good	8.90	54.70
Unsecured, considered doubtful	463.72	472.96
Less: Provision for doubtful advances	(463.72)	(472.96)
	8.90	54.70
Advance against supply of goods and services		
Unsecured, considered good	3,514.14	1,465.83
Unsecured, considered doubtful	324.98	324.98
Less: Provision for doubtful advances	(324.98)	(324.98)
	3,514.14	1,465.83
Prepaid expenses		
Unsecured, considered good	404.18	709.78
Unsecured, considered doubtful	44.06	44.06
Less: Provision for doubtful advances	(44.06)	(44.06)
	404.18	709.78
Gratuity (Refer Note 30)	23.31	-
Other receivables	61.70	229.87
Balances with government authorities	2,531.49	2,759.12
Advance payment of fringe benefit tax [net of Provision **Rs.147.87 Lakhs** (31 March 2020 - Rs.147.87 Lakhs)]	20.08	20.08
Total other current assets	7,188.63	6,965.54

B S R & Co. LLP KOLKATA Chartered Accountants

SAREGAMA INDIA LTD.

(Amount in Rupees lakhs, except otherwise stated)

13 Equity share capital and other equity

13.1 Equity share capital

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number of shares	Amount	Number of shares	Amount
Authorised				
Ordinary shares of Rs.10 each	2,50,00,000	2,500.00	2,50,00,000	2,500.00
Issued				
Ordinary shares of Rs.10 each	1,74,28,012	1,742.80	1,74,26,012	1,742.60
Subscribed and fully paid up				
Ordinary shares of Rs.10 each	1,74,28,012	1,742.80	1,74,26,012	1,742.60

Reconciliation of number of ordinary shares outstanding

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number of shares	Amount	Number of shares	Amount
As at the beginning of the year	1,74,26,012	1,742.60	1,74,10,492	1,741.05
Add: Issue of shares on exercise of Options	2,000	0.20	15,520	1.55
As at the end of the year	1,74,28,012	1,742.80	1,74,26,012	1,742.60

Rights issue

Out of 53,38,628 equity shares issued for cash at a premium of Rs.35/- (issue price - Rs.45/-) pursuant to the Rights Issue in 2005, allotment of 5,290 (31 March 2020 - 5,290) equity shares (relating to cases under litigation/ pending clearence from the concerned authorities) are kept in abeyance as on 31 March 2021.

Rights, preferences and restrictions attached to shares

The Parent Company has only one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting except in case of interim dividend.

In the event of liquidation of the Company, the holder of equity shares are eligible to receive remaining assets of the Company in proportion to their shareholding.

Shares held by ultimate holding company

Name of the shareholder	As at 31 March 2021		As at 31 March 2020	
	Number of shares held	Amount	Number of shares held	Amount
Composure Services Private Limited	1,02,91,599	1,029.16	1,02,91,599	1,029.16

Details of shares held by shareholders holding more than 5 % of the aggregate shares in the Parent Company

Name of the shareholder	As at 31 March 2021		As at 31 March 2020	
	Number of shares held	Holding percentage	Number of shares held	Holding percentage
Composure Services Private Limited	1,02,91,599	59.05%	1,02,91,599	59.06%

Stock option schemes and stock appreciation rights

Information relating to Employee Option Plan, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in Note 31.

13.2 Other equity

Particulars	As at 31 March 2021	As at 31 March 2020
Capital reserve	55.19	55.19
General reserve	693.95	693.95
Securities premium reserve	10,277.11	10,272.44
Share option outstanding reserve	212.11	535.43
Treasury Shares	(425.60)	(764.32)
SWT Reserve	(11.36)	-
Retained earnings	21,361.50	13,765.46
Revaluation reserve	10,349.54	10,347.90
Equity instrument through OCI	6,230.50	3,135.22
Foreign currency translation reserve	92.95	95.20
Total other equity	48,835.89	38,136.47

(i) Capital reserve : The Group recognises profit or loss on purchase, sale, issue or cancellation of the Group's own equity instruments to Capital Reserve. The Group also recognises gains or losses on transaction with Non-Controlling Interest which do not result on loss of control over subsidiary in the capital reserve.

Particulars	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	55.19	55.19
Balance at the end of the year	55.19	55.19

(ii) General reserve : Under the erstwhile Companies Act 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, 2013 (the "Companies Act"), the requirement to mandatory transfer a specified percentage of net profit to general reserve has been withdrawn. The amount credited to the reserve can be utilised by the Company in accordance with the provisions of the Companies Act. There is no movement in general reserve during the current and previous year.

Particulars	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	693.95	693.95
Balance at the end of the year	693.95	693.95

B S R & Co. LLP KOLKATA Chartered Accountants

SAREGAMA INDIA LTD.

(Amount in Rupees lakhs, except otherwise stated)

13.2 Other equity (continued)

(iii) Securities premium reserve : This reserve represents the premium on issue of shares and can be utilised in accordance with the provisions of the Companies Act.

Particulars	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	10,272.44	10,252.72
Add: 2,000 (2019-20 - 15,520) Shares issued on exercise of Options (Refer Note 31)	4.67	19.72
Balance at the end of the year	**10,277.11**	10,272.44

(iv) Share options outstanding reserve : This reserve relates to stock options granted by the Parent Company to eligible employees under Saregama Employee Stock Option Scheme 2013. This reserve is transferred to securities premium or retained earnings on exercise or cancellations of vested options.

Particulars	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	535.43	14.32
Employee stock option expense (Refer Note 25)	137.71	21.78
Effect of modification of share based payment awards {Refer Note 31(c)}	150.61	510.81
Transfer on account of exercise/lapse of options	(101.74)	(11.48)
Adjustment on account of exercise of options	(509.90)	-
Balance at the end of the year	**212.11**	535.43

(v) Treasury Shares : The Parent Company has formed Saregama Welfare Trust (SWT) for implementation of the Schemes that are notified or may be notified from time to time by the Parent Company under the plan, providing shared based benefits to its employees. SWT purchases shares of the Parent Company out of funds borrowed from the Parent Company. The Parent Company treats SWT as its extension and shares held by SWT are treated as treasury shares.

Particulars	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	(764.32)	-
Add: Purchase of treasury shares by the trust during the year (net)	(171.18)	(764.32)
Adjustment on account of exercise of options	509.90	-
Balance at the end of the year	**(425.60)**	(764.32)

(vi) SWT Reserve : The Parent Company has formed Saregama Welfare Trust (SWT) for implementation of the Schemes that are notified or may be notified form time to time by the Parent Company under the plan, providing share based benefits to the employees. SWT purchases shares of the Parent Company out of funds provided by the Parent Company. The Parent Company treats SWT as its extension and shares held by SWT are treated as Treasury Shares. Profit/(loss) on sale/transfer of treasury shares (net of tax) and dividend earned on the same by the SWT is recognized in SWT Reserve.

Particulars	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	-	-
Expense of Trust for the year	(11.36)	-
Balance at the end of the year	**(11.36)**	-

(vii) Retained earnings : This reserve represents the cumulative profits of the Group and effects of remeasurement of defined benefit obligations. This reserve can be utilised in accordance with the provisions of the Companies Act.

Particulars	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	13,765.46	10,064.89
Net profit for the year	11,255.41	4,393.84
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment benefit obligation (net of tax)	(14.12)	(74.73)
Dividends paid	(261.39)	(522.60)
Dividends distribution tax paid	-	(107.42)
Interim dividend declared	(3,485.60)	-
Transfer on account of exercise/lapse of options	101.74	11.48
Balance at the end of the year	**21,361.50**	13,765.46

(viii) Revaluation surplus : This reserve represents surplus on revaluation of Property, plant and equipment (land) and will be transferred directly to retained earning when the asset is derecognised.

Particulars	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	10,347.90	10,320.87
Deferred tax on revaluation of PPE	1.64	27.03
Balance at the end of the year	**10,349.54**	10,347.90

(ix) Equity instruments through OCI (FVOCI) : This reserve represents the cumulative gains (net of losses) arising on the revaluation of Equity Instruments at fair value through Other Comprehensive Income (OCI), net of amounts reclassified, if any, to Retained earnings when those instruments are disposed of.

Particulars	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	3,135.22	9,580.53
Changes in fair value of FVOCI equity instruments during the year	3,504.36	(7,289.90)
Deferred tax on above	(409.08)	844.59
Balance at the end of the year	**6,230.50**	3,135.22

(x) Foreign currency translation reserve : Exchange difference arising from translation of foreign operations are recognised in other comprehensive income as described in accounting policies [Refer note 1(a)(vi)] and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss on disposal of the net investment.

Particulars	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	95.20	84.78
Other comprehensive income for the year	(2.25)	10.42
Balance at the end of the year	**92.95**	95.20

B S R & Co. LLP KOLKATA Chartered Accountants

SAREGAMA INDIA LTD.

(Amount in Rupees lakhs, except otherwise stated)

14 Employee benefit obligations (non-current)

	As at 31 March 2021	As at 31 March 2020
Leave encashment obligations (Refer Note 30)	419.45	349.57
Total employee benefit obligations (non-current)	**419.45**	349.57

15 Deferred tax liabilities (net)

The balance comprises temporary differences attributable to:

	Balance as at 1 April 2020	Recognised to profit or loss during the year	Recognised to/ reclassified from OCI	Recognised directly to other equity	Balance as at 31 March 2021
Deferred tax liability					
Fair value changes on financial assets-equity instruments	436.81	4.15	409.08	-	850.04
Property, plant and equipment, right-of-use assets, intangible assets and investment property	4,301.44	21.79	-	(1.64)	4,321.59
Minimum guarantee royalty advance	216.86	(75.36)	-	-	141.50
Provision for royalty on licence fees	71.53	70.75	-	-	142.28
Total deferred tax liability	**5,026.64**	**21.33**	**409.08**	**(1.64)**	**5,455.41**
Deferred tax asset					
Allowance for expected credit loss	265.60	(11.68)	-	-	253.92
Expenditure allowable for tax purpose in subsequent years	106.82	8.07	4.70	-	119.59
Income received in advance-digital film	18.62	(16.79)	-	-	1.83
Lease Liabilities	11.84	15.90	-	-	27.74
Others	45.27	(45.27)	-	-	-
Total deferred tax asset	**448.15**	**(49.77)**	**4.70**	**-**	**403.08**
Net deferred tax liability	**4,578.49**	**71.10**	**404.38**	**(1.64)**	**5,052.33**

	Balance as at 1 April 2019	Recognised to profit or loss during the year	Recognised to/ reclassified from OCI	Recognised directly to other equity	Balance as at 31 March 2020
Deferred tax liability					
Fair value changes on financial assets-equity instruments	1,281.40	-	(844.59)	-	436.81
Property, plant and equipment, right-of-use assets, intangible assets and investment property	4,305.45	23.02	-	(27.03)	4,301.44
Minimum guarantee royalty advance	614.67	(397.81)	-	-	216.86
Provision for royalty on licence fees	115.24	(43.71)	-	-	71.53
Total deferred tax liability	6,316.76	(418.50)	(844.59)	(27.03)	5,026.64
Deferred tax asset					
Allowance for expected credit loss	329.90	(64.30)	-	-	265.60
Expenditure allowable for tax purpose in subsequent years	101.79	(21.03)	26.06	-	106.82
Stock appreciation rights	45.27	-	-	-	45.27
Income received in advance-digital film	34.99	(16.37)	-	-	18.62
Lease Liabilities	-	11.84	-	-	11.84
Total deferred tax asset	511.95	(89.86)	26.06	-	448.15
Net deferred tax liability	5,804.81	(328.64)	(870.65)	(27.03)	4,578.49

16 Financial liabilities (current)

16.1 Borrowings

	As at 31 March 2021	As at 31 March 2020
Secured		
Loan repayable on demand from Banks*	-	633.22
Unsecured		
Inter-corporate deposits, repayable on demand	-	290.00
Total borrowings	-	923.22

* Cash Credit from Banks bearing interest rate between **7.70% to 8.40% p.a.** (2019-20 : 9.25% to 10.00% p.a.) are secured by first pari passu charge (ranking pari passu with all consortium bankers) over the whole of the current assets of the Parent Company including its inventories, bills receivable and book debts and all other movables, both present and future whether now lying loose or in cases wherever they may be situated and also by the second charge on the Parent Company's movable fixed assets, both present and future ranking pari passu without any preference or priority of one over the others.

Refer Note (3), (9), (10.2), (10.4), (10.5) and (10.6) for details of carrying amount of assets pledged as security for secured borrowings and Note 33 for information about liquidity risk and market risk on borrowings.

16.2 Trade payables

	As at 31 March 2021	As at 31 March 2020
Trade payables		
a) Total outstanding dues of micro enterprises and small enterprises (Refer below)	1.37	3.46
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	5,629.03	5,796.93
Total trade payables	5,630.40	5,800.39

The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Group. The disclosures relating to Micro and Small Enterprises are as below:

Micro and Small Enterprises :
The Company has amounts due to suppliers under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED')

	As at 31 March 2021	As at 31 March 2020
(a) The Principal amount and interest due thereon remaining unpaid to suppliers under MSMED as at the end of accounting year		
Principal	1.01	1.72
Interest	0.10	0.22
(b) The amount of interest paid in terms of Section 16 of MSMED along with the amount of payment made to suppliers beyond the appointed day during the year		
Principal	2.02	0.58
Interest	1.54	0.11
(c)The amount of interest due and payable for principal paid during the year beyond the appointed day but without adding the interest specified under MSMED		
Principal	-	-
Interest	-	-
(d) The amount of interest accrued and remaining unpaid at the end of the year	0.16	0.55
(e) The amount of further interest remaining due and payable even in the succeeding year, until such date when interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as deductible expenditure under Section 23 of the MSMED [including **Rs 1.74 Lakhs** (31 March 2020 - Rs.1.30 Lakhs) being interest outstanding as at the beginning of the accounting year]	0.36	1.74

16.3 Other financial liabilities

	As at 31 March 2021	As at 31 March 2020
Security deposit		
Security deposit from dealers and others	48.42	88.36
Security deposit from General Insurance Corporation of India on sub lease of property	18.01	18.01
Unpaid dividends*	20.27	20.19
Others		
Dealer's incentive	59.94	93.90
Liabilities for expenses	1,927.23	1,103.83
Employee benefits payable	714.85	819.21
Interest accrued and due on deposits from dealers	50.32	50.32
Liability towards deposits received under settlement	152.58	152.58
Proposed interim dividend	3,485.60	-
Total other financial liabilities	6,477.22	2,346.40

* There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the year end.

(Amount in Rupees lakhs, except otherwise stated)

17 Other current liabilities

	As at 31 March 2021	As at 31 March 2020
Income received in advance	**1,758.32**	1,763.67
Advance from customers	**302.04**	277.46
Amount payable to Government authorities*	**430.05**	338.20
Others	**59.50**	59.50
Total other current liabilities	**2,549.91**	2,438.83

*Primarily include payables in respect of Goods and Services Tax (GST) and tax deducted at source (TDS).

18 Provisions

	As at 31 March 2021	As at 31 March 2020
Other provisions		
Provision for returns of magazines	**15.56**	17.92
Provision for royalty on licence fees (Refer Note 18.1)	**7,078.51**	5,141.00
Total provisions	**7,094.07**	5,158.92

18.1 Movement of provision for royalty on licence fees

	As at 31 March 2021	As at 31 March 2020
Carrying amount at the beginning of the year	**5,141.00**	3,555.33
Charged/(credited) to profit or loss		
- created during the year	**4,445.44**	2,961.95
- discounting on provision created	**(567.41)**	(281.24)
- unwinding of discount on provision created	**286.30**	326.83
- unused amounts reversed	**(261.41)**	(120.09)
Amounts utilised/ transferred during the year	**(1,965.41)**	(1,301.78)
Carrying amount at the end of the year	**7,078.51**	5,141.00

19 Employee benefit obligations (current)

	As at 31 March 2021	As at 31 March 2020
Leave encashment obligations (Refer Note 30)	**82.11**	81.74
Gratuity (Refer Note 30)	**92.73**	146.66
Total employee benefit obligations (current)	**174.84**	228.40

SAREGAMA INDIA LTD.

B S R & Co. LLP KOLKATA Chartered Accountants

20 Revenue from operations

	Year ended 31 March 2021	Year ended 31 March 2020
Sale of products	**8,614.02**	20,622.68
Sale of services		
Income from films and television serials	**5,210.37**	7,024.52
Licence fees	**28,557.69**	23,566.28
Publication	**438.43**	687.86
Other operating revenue*	**1,375.75**	246.15
Total revenue from operations	**44,196.26**	52,147.49

*Includes export incentives of **Rs. 915.15 Lakhs** (Previous year Rs. 207.02 Lakhs) on account of Service Exports from India Scheme.

Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is diaggregated by primary geography market, products and service lines and timing of revenue recognition. The Group believes that this disaggregation best depicts how the nature, amount, timing of revenues and cash flows are affected by geography and other economic factors:

	Sale of products		Licence fees		Films/Television serials		Publication	
	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2021	Year ended 31 March 2020
Revenue by geography								
Domestic	**8,370.48**	19,245.72	**18,881.93**	14,773.38	**4,622.71**	6,481.70	**436.92**	682.69
International	**243.54**	1,376.96	**9,675.76**	8,792.90	**587.66**	542.82	**1.51**	5.17
	8,614.02	20,622.68	**28,557.69**	23,566.28	**5,210.37**	7,024.52	**438.43**	687.86
Timing of Revenue Recognition								
Products and services transferred at a point in time	**8,614.02**	20,622.68	**7,637.16**	8,632.17	**5,210.37**	7,024.52	**429.36**	666.21
Products and services transferred over time	**-**	-	**20,920.53**	14,934.11	**-**	-	**9.07**	21.65
Total Revenue from Contracts with customers	**8,614.02**	20,622.68	**28,557.69**	23,566.28	**5,210.37**	7,024.52	**438.43**	687.86

Relationship between disclosure of disaggregated revenue and revenue information for each reportable segment has been disclosed in Note 41 to the financial statement.

Contract Balances

The following table provides information about receivables and contract liabilities from contracts with customers:

	As at 31 March 2021	As at 31 March 2020
Receivables, which are included in 'trade receivables' (Refer Note 10.2)	**8,735.30**	10,845.84
Contract liabilities, which are included in 'income received in advance' (Refer Note 17)	**1,758.32**	1,763.67

The contract assets primarily relate to the Group's rights to consideration for services rendered but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer.

A receivable is a right to consideration that is unconditional upon passage of time. Revenue from the sale of products is recognised at the point in time when control is transferred to the customer. Revenue from licenses where the customer obtains a "right to access" is recognized over the access period. Revenues in excess of billings is recorded as unbilled revenue and is classified as a financial asset for these cases as right to consideration is unconditional upon passage of time.

Invoicing in excess of earnings are classified as contract laibility .

Changes in contract liabilities are as follows:

	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	**1,763.67**	1,114.81
Revenue recognised that was included in the contract liabilities at the beginning of the year	**(1,763.67)**	(1,114.81)
Increase due to invoicing during the year, excluding amounts recognised as revenue during the year	**1,758.32**	1,763.67
Balance at the end of the year	**1,758.32**	1,763.67

The Parent Company has entered into a few contracts where the period between the transfer of the promised goods or services to the customer and payments by the customer exceeds one year and hence, there exists a financing component included in such contracts. On evaluation of the terms of the contracts, the effects of financing have not been found to be significant and the same has been adjusted accordingly.

Reconciliation of revenue recognised with the contracted price is as follows:

	Year ended 31 March 2021	Year ended 31 March 2020
Contracted prices	**43,686.16**	52,831.42
Reductions towards variable consideration components	**(865.65)**	(930.08)
Revenue recognised*	**42,820.51**	51,901.34

* The above balances inlcude revenue from sale of products and sale of services.

The reduction towards variable consideration comprises of volume discounts, incentives, etc.

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SAREGAMA INDIA LTD.

20 Revenue from operations (continued)

Performance obligation

The following table provides information about the nature and timing of performance obligation in contracts with customers, including significant payment terms and related revenue recognition policies:

Type of product	Nature and timing of satisfaction of performance obligation, including significant payment terms	Revenue recognition under Ind AS 115
Physical products	In case of sales of products, customer obtain control of the products when the goods are delivered at customer's premise.	Revenue from the sale of products is recognised at the point in time when control is transferred to the customer. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.
Music Licensing	The performance obligation of "right-to-use" of Music Licensing contracts gets satisfied at the time of entering into agreement/ contracts with customers. In case of "right-to-access" of Music Licensing contracts, the Group undertakes activities that significantly affect the Music Licenses to which the customer has rights. In these cases, the performance obligation gets complete when the Customers accessess the music licenses. Payment is made as per the terms of the Contract.	Revenue from Music licensing where the customer obtains a "right to use" is recognized at the time the license is made available to the customer. Revenue from licenses where the customer obtains a "right to access" is recognized over the access period.
Sale of television serial episodes	In case of sale of TV serial episodes, customer obtain control of the TV Software when the same is delivered to them and revenue is recognised at that point in time.	Revenue from the sale of televeision serial episodes is recognised upfront at the point in time when the software is delivered to the customer.
Sale of Free Commercial Time	The performance obligation gets satisfied at the time when the related advertisement or commercials appears before the public, i.e. on telecast.	Revenue from sale of free commercial time (net of trade discount, as applicable) are recognised when the related advertisement or commercials appears before the public, i.e. on telecast.
Threatrical Distribution of Films	The performance obligation gets satisfied at the time of exhibition of films.	Revenue from theatrical distribution is recognised on exhibition of films. In case of distribution through theatres, revenue is recognised on the basis of box office reports received from various exhibitors. Contracted minimum guarantees are recognised on theatrical release.
Sale of Film Rights	The performance obligation gets satisfied at the time of assignment of such rights as per terms of the sale/licencing agreements. Invoices are payable within contractually agreed credit period.	Revenue from Sale of films rights are recognised on assignment of such rights as per terms of the sale/licencing agreements.
Publication revenue	The performance obligation gets satisfied when the magazines are sold. The performance obligation gets satisfied when the publications are delivered to the subscribers over the subscription period.	Revenue from current affairs and features magazine is recognised in the period in which the magazines are sold and are accounted for net of commission and discounts. Revenue from subscription to the Group's print publications is recognised as earned, prorata on a per issue basis over the subscription period.

SAREGAMA INDIA LTD.

S R & Co. LLP KOLKATA Chartered Accountants

(Amount in Rupees lakhs, except otherwise stated)

21 Other income

	Year ended 31 March 2021	Year ended 31 March 2020
Liabilities/Provisions no longer required written back	**589.18**	328.09
Interest income under effective interest method (refer note below)	**1,690.72**	378.82
Dividend income from equity investments designated at FVOCI*	**695.28**	309.03
Profit on sale of property, plant and equipment	**0.17**	0.12
Profit on sale of Investment in Mutual Fund	**-**	0.12
Fair value gain on Mutual Fund at FVTPL	**16.51**	-
Rent Income (Refer Note 4)	**18.96**	23.58
Net gain on foreign currency transactions	**22.45**	59.13
Other non-operating income	**52.10**	24.01
Total other income	**3,085.37**	1,122.90

Note:

	Year ended 31 March 2021	Year ended 31 March 2020
Above Interest income comprises :		
- Interest income on bank balances and bank deposits	**332.01**	14.12
- Interest income on income tax refund	**674.21**	13.61
- Unwinding of discount on financial assets	**79.76**	67.13
- Discounting of financial liabilities/provision	**567.41**	281.24
- Other interest	**37.33**	2.72
Total interest income	**1,690.72**	378.82

* All dividends from equity investments designated at FVOCI relate to investments held at the end of the reporting year.

22 Cost of material consumed/ Contract manufacturing charges

	Year ended 31 March 2021	Year ended 31 March 2020
Cost of materials consumed	**31.75**	156.04
Contract manufacturing charges	**2,074.06**	10,546.72
Total cost of material consumed/ contract manufacturing charges	**2,105.81**	10,702.76

23 Cost of production of films and television serials

	Year ended 31 March 2021	Year ended 31 March 2020
Cost of production of films and television serials	**4,649.68**	5,408.43
Total cost of production of films and television serials	**4,649.68**	5,408.43

24 Changes in inventories of finished goods and work-in-progress [(increase)/decrease]

	Year ended 31 March 2021		Year ended 31 March 2020	
Opening stock				
- Finished goods- Untelecasted television serials/digital films	**264.32**		479.37	
- Finished goods- Carvaan/music card and others	**7,248.70**		7,514.10	
- Work-in-progress- Digital films under production	**1,835.59**	**9,348.61**	1,611.10	9,604.57
Less: Closing stock				
- Finished goods- Untelecasted television serials/digital films	**249.71**		264.32	
- Finished goods- Carvaan/music card and others	**4,513.73**		7,248.70	
- Work-in-progress- Digital films under production	**2,133.68**	**6,897.12**	1,835.59	9,348.61
Net decrease		**2,451.49**		255.96

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SAREGAMA INDIA LTD.

(Amount in Rupees lakhs, except otherwise stated)

25 Employee benefits expense

	Year ended 31 March 2021	Year ended 31 March 2020
Salaries, wages and bonus	**6,320.50**	6,099.81
Share based payment expense (Refer Note 31)	**137.71**	21.78
Contribution to provident and other funds (Refer Note 30)	**349.80**	331.42
Staff welfare expenses	**145.35**	208.53
Total employee benefits expense	**6,953.36**	6,661.54

26 Finance costs

	Year ended 31 March 2021	Year ended 31 March 2020
Interest expense on financial liabilities measured at amortised cost:		
- on loan and others	**26.16**	302.06
- unwinding of discount on financial liabilities/provision	**286.30**	326.83
- on lease liabilities	**3.67**	9.02
Other borrowing costs	**28.93**	33.56
Total finance costs	**345.06**	671.47

27 Depreciation and amortisation expense

	Year ended 31 March 2021	Year ended 31 March 2020
Depreciation on property, plant and equipment	**185.59**	179.06
Depreciation on right-of-use assets	**50.77**	81.62
Depreciation on investment properties	**5.53**	5.56
Amortisation on Intangible asset	**319.11**	197.52
Total depreciation and amortisation expense	**561.00**	463.76

28 Other expenses

	Year ended 31 March 2021	Year ended 31 March 2020
Power and fuel	**95.64**	122.33
Rent (Refer Note 4)	**409.41**	425.59
Repairs - Buildings	**106.01**	31.89
- Machinery	**2.65**	-
- Others	**50.34**	41.13
Royalties	**5,661.34**	6,124.79
Recording expenses	**-**	20.26
Carriage, freight and forwarding charges	**1,005.27**	1,717.50
Rates and taxes	**132.97**	174.80
Insurance	**95.01**	121.89
Travel and conveyance	**82.44**	728.95
Advertisement and sales promotion	**3,749.63**	9,293.89
Editorial expenses	**130.92**	137.66
Printing and publishing expenses	**42.32**	68.14
Printing and communication expenses	**286.38**	335.66
Bad debts/advances written off	**25.52**	5.03
Allowance for expected credit loss / provision for doubtful advances	**134.77**	159.98
Provision for magazine returns	**4.40**	13.08
Loss on disposal of property, plant and equipment	**-**	1.81
Legal and consultancy expenses	**1,693.29**	2,147.58
Corporate social responsibility expenses (Refer Note 28.1)	**137.19**	113.16
Miscellaneous expense	**1,179.09**	1,286.58
Total other expense	**15,024.59**	23,071.70

28.1 Corporate social responsibility expenditure

(a) Gross amount required to be spent by the Group during the year	**137.19**	113.16
(b) Amount paid to RP-Sanjiv Goenka Group CSR Trust towards purposes other than construction/acquisition of assets	**-**	113.16
(c) Provision outstanding as at 31 March 2021 and 31 March 2020.	**137.19**	

B S R & Co. LLP KOLKATA Chartered Accountants

SAREGAMA INDIA LTD. *

(Amount in Rupees lakhs, except otherwise stated)

29 Tax expenses

A. Tax expense recognised in the Statement of Profit and Loss

	Year ended 31 March 2021	Year ended 31 March 2020
Current tax		
Current tax on profits for the year	**3,773.08**	1,968.01
Tax related to previous periods	**-**	45.95
Total current tax	**3,773.08**	2,013.96
Deferred tax		
Decrease in deferred tax assets	**49.77**	89.86
Increase/ (Decrease) in deferred tax liabilities	**21.33**	(418.50)
Total deferred tax expense charge/ (credit)	**71.10**	(328.64)
Total tax expense	**3,844.18**	1,685.32

B. Amount recognised in other comprehensive income

	Year ended 31 March 2021	Year ended 31 March 2020
The tax charge arising on income and expenses recognised in Other Comprehensive Income are as follows:		
Deferred tax		
On items that will not be reclassified subsequently to profit or loss		
Remeasurements of post-employment benefit obligations	**4.70**	26.06
Changes in fair value of equity instruments designated at FVOCI	**(409.08)**	844.59
Total	**(404.38)**	870.65

C. Reconciliation of tax expense

	Year ended 31 March 2021	Year ended 31 March 2020
Profit before tax	**15,190.64**	6,034.77
Income tax expense calculated @ **25.17%** (31 March 2020 - 25.17%)	**3,823.48**	1,518.95
Adjustments:		
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Items not deductible for tax purposes	**101.05**	145.45
Effect of income not taxable	**-**	(77.78)
Other items	**(80.35)**	8.72
Impact of change in statutory tax rate	**-**	89.98
Income tax expense	**3,844.18**	1,685.32

The tax rate used in the above reconciliation for the year 2020-21 and 2019-20 is the tax rate of 25.17% (22% + surcharge @ 10% and education cess @ 4%) payable on taxable profits under the Income Tax Act, 1961.

SAREGAMA INDIA LTD.

B S R & Co. LLP KOLKATA Chartered Accountants

(Amount in Rupees lakhs, except otherwise stated)

30 Assets and liabilities relating to employee benefits

(I) Post-employment Defined Benefit Plans:

(A) Gratuity (funded)

The Group provides for gratuity, a defined benefit retirement plan covering eligible employees. As per the plan, the Gratuity Fund Trusts, administered and managed by the Trustees and funded primarily with Life Insurance Corporation of India (LICI), ICICI Prudential Life Insurance Company Limited and Aviva Life Insurance Company Limited, make payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Trustees are responsible for the overall governance of the plan and to act in accordance with the provisions of the trust deed and rules in the best interests of the plan participants. Each year an Asset-Liability matching study is performed in which the consequences of the strategic investment policies are analysed in terms of risk and return profiles. Investment and contribution policies are integrated within this study. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation as set out in Note 1(q)(iii) in significant accounting policies, based upon which, the Group makes contributions to the Employees' Gratuity Funds.

The following table sets forth the particulars in respect of the Gratuity Plan (funded) of the Group:

	31 March 2021		31 March 2020	
	Parent	Subsidiary	Parent	Subsidiary
(a) Reconciliation of opening and closing balances of the present value of the defined benefit obligation:				
Present value of obligation at the beginning of the year	647.34	61.31	487.90	45.28
Current service cost	92.43	12.50	64.59	10.84
Interest cost	39.34	4.13	33.68	3.49
Remeasurements (gains) / losses				
Actuarial (gain)/ loss arising from changes in financial assumptions	9.24	(0.37)	27.88	5.69
Actuarial (gain)/ loss arising from changes in experience adjustments	14.40	(2.13)	60.33	0.27
Actuarial (gain)/ loss arising from changes in demographic adjustments	-	-	-	0.01
Benefits paid	(45.60)	(1.47)	(27.04)	(4.27)
Present value of obligation at the end of the year	757.15	73.97	647.34	61.31
(b) Reconciliation of the opening and closing balances of the fair value of plan assets:				
Fair value of plan assets at the beginning of the year	508.13	53.86	459.45	54.98
Interest Income	35.77	3.63	33.36	4.24
Remeasurements gains / (losses)				
Return on plan assets (excluding amount included in net interest cost)	1.06	1.26	(5.52)	(1.09)
Contributions by employer	140.00	40.00	30.00	-
Benefits paid	(20.54)	(1.47)	(9.16)	(4.27)
Fair value of plan assets at the end of the year	664.42	97.28	508.13	53.86
(c) Reconciliation of the present value of the defined benefit obligation and the fair value of plan assets:				
Present value of obligation at the end of the year	757.15	73.97	647.34	61.31
Fair value of plan assets at the end of the year	664.42	97.28	508.13	53.86
Liabilities recognised in the balance sheet	92.73	(23.31)	139.21	7.45
(d) Actual return on plan assets	36.83	4.89	27.84	3.15
(e) Re-measurements losses/(gains) recognised in the Other Comprehensive Income				
Return on plan assets (excluding amount included in net interest cost)	(1.06)	(1.26)	5.52	1.09
Effect of changes in financial assumptions	9.24	(0.37)	27.88	5.69
Effect of changes in experience adjustments	14.40	(2.13)	60.33	0.27
Effect of changes in demographic adjustments	-	-	-	0.01
Total re-measurement losses/(gains) included in Other Comprehensive Income	22.58	(3.76)	93.73	7.06
(f) Expense recognised in Statement of Profit or Loss:				
Current service cost	92.43	12.50	64.59	10.84
Net interest cost	3.57	0.50	0.32	(0.75)
Total expense recognised in Statement of Profit and Loss (Refer Note 25)	96.00	13.00	64.91	10.09
(g) Category of plan assets:	In %	In %	In %	In %
(a) Fund with Life Insurance Corporation of India	69%	-	63%	-
(b) NAV based Group Balanced Fund with ICICI Prudential Life Insurance Company Limited	16%	-	18%	-
(c) NAV based Group Short Term Debt Fund with ICICI Prudential Life Insurance Company Limited	7%	-	9%	-
(d) NAV based Group Debt Fund with ICICI Prudential Life Insurance Company Limited	8%	-	10%	-
(e) Fund with Aviva Life Insurance Company India Ltd.	-	100%	-	100%
	100%	100%	100%	100%

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30 Assets and liabilities relating to employee benefits (continued)

	31 March 2021		31 March 2020	
	Parent	**Subsidiary**	Parent	Subsidiary
(h) Maturity profile of defined benefit obligation:				
Within 1 year	**294.19**	**8.72**	289.27	8.13
1-2 year	**37.64**	**16.64**	29.47	11.48
2-5 years	**156.66**	**13.62**	128.68	14.22
Over 5 years	**451.25**	**127.43**	424.10	109.65

(i) Principal actuarial assumptions:	31 March 2021		31 March 2020	
	Parent	**Subsidiary**	Parent	Subsidiary
Discount rate	**6.10%**	**6.80%**	6.30%	6.75%
Salary growth rate	**10.00%**	**7.00%**	10.00%	7.00%

Assumptions regarding future mortality experience are based on mortality tables of 'Indian Assured Lives Mortality (2006-2008)' published by the Institute of Actuaries of India.

The estimate of future salary increases takes into account inflation, seniority, promotion and other relevant factors, such as demand and supply in the employment market.

(j) Sensitivity analysis	**Change in Assumption**	**Impact on defined benefit obligation (2020-21)**	Impact on defined benefit obligation (2019-20)
Discount Rate	Increase by 1%	**Decrease by Rs.50.46 Lakhs**	Decrease by Rs.40.34 Lakhs
	Decrease by 1%	**Increase by Rs.58.53 Lakhs**	Increase by Rs.46.94 Lakhs
Salary Growth Rate	Increase by 1%	**Increase by Rs.56.09 Lakhs**	Increase by Rs.45.09 Lakhs
	Decrease by 1%	**Decrease by Rs.49.48 Lakhs**	Decrease by Rs.39.62 Lakhs

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit obligation recognised in the Balance Sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(k) The Group expects to contribute **Rs.96.00 Lakhs** (previous year - Rs.92.00 Lakhs) to the funded gratuity plans during the next financial year.

(l) The weighted average duration of the defined benefit obligation as at 31 March 2021 for Parent Company is **6 years** (31 March 2020 – 6 years) and for subsidiary is **10 Years** (31 March 2020 - 11 Years).

(II) Post-employment defined contribution plans

(A) Superannuation fund

Certain categories of employees of the Parent Company participate in superannuation, a defined contribution plan administered by the Trust set up by the Parent Company. The Parent Company makes yearly contributions based on a specified percentage of each covered employee's salary. The Parent Company has no further obligations under the plan beyond its annual contributions.

During the year, an amount of **Rs.15.49 Lakhs** (previous year- Rs.14.77 Lakhs) has been recognised as expenditure towards above defined contribution plan of the Parent Company (Refer Note 25).

(B) Provident fund

All categories of employees of the Group receive benefits from a provident fund, a defined contribution plan. Both the employee and employer make monthly contributions to a government administered fund at specified percentage of the covered employee's qualifying salary. The Group has no further obligations under the plan beyond its monthly contributions.

During the year, an amount of **Rs.209.24 Lakhs** (previous year- Rs.227.08 Lakhs) has been recognised as expenditure towards above defined contribution plans of the Group (Refer Note 25).

(III) Leave obligations

The Group provides for accumulation of leave by certain categories of its employees. These employees can carry forward a portion of the unutilised leave balances and utilise it in future periods or receive cash (only in case of earned leave) in lieu thereof as per the Group's policy. The Group records a provision for leave obligations in the period in which the employee renders the services that increases this entitlement.

The total closing provision towards this obligation was **Rs.501.56 Lakhs** and Rs.431.31 Lakhs as at 31 March 2021 and 31 March 2020 respectively. The amount of the provision is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

	31 March 2021	31 March 2020
Leave provision not expected to be settled within the next 12 months (Refer Note 14).	**419.45**	349.57

(IV) Risk exposure

Through its defined benefit plans, the Company is exposed to some risks, the most significant of which are detailed below:

Discount rate risk

The Company is exposed to the risk of fall in discount rate. A fall in discount rate will eventually inrease the ultimate cost of providing the above benefit thereby increasing the value of the liability.

Salary growth risks

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

Demographic risk

In the valuation of the liability, certain demographic (mortality and attrition rates) assumptions are made. The Company is exposed to this risk to the extent of actual experience eventually being worse compared to the assumptions thereby causing an increase in the benefit cost.

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31 Share based payments

(a) Stock appreciation rights

The Nomination and Remuneration Committee of the Board of Directors of the Parent Company has granted Stock Appreciation Rights ("SAR") to certain eligible employees pursuant to the Company's Stock Appreciation Rights Scheme 2014 and Stock Appreciation Rights Scheme 2018 (together referred to as "Schemes"). The grant price is determined as defined in the Scheme. The Schemes have different performance linked vesting schedules. The exercise period commences from the date of vesting of the Options and expires at the end of 10 years from the date of vesting. Under the Scheme, the specified eligible employees are entitled to receive cash payment, being the difference in the share price between the date of grant and the date of exercise subject to certain conditions. The Schemes are administered by Nomination and Remuneration Committee.

Details of SAR Schemes	SAR Scheme'2014		SAR Scheme'2018	
Grant Date	27 October 2014		31 July 2018	
Grant Price (Rs.)	170.65		416.20	
Vesting Schedule	66% after 1 year from grant date 34% after 2 years from grant date		40% after 1 year from grant date 20% after 2 years from grant date 20% after 3 years from grant date 20% after 4 years from grant date	
	As at 31 March		As at 31 March	
	2021 #	2020 #	2021 *	2020
Number of SAR outstanding at the beginning of the year	-	200000	100000	100000
Add : Granted during the year	-	-	-	-
Less : Forfeited / lapsed/ cancelled during the year (# and *)	-	200000	100000	-
Less : Exercised during the year	-	-	-	-
Number of SAR outstanding at the end of the year	-	-	-	100000
Fair value of SAR at the end of the year (Rs.)	-	-	-	66.78
Carrying amount of liability - included in employee benefits payable (Rs.in Lakhs) (Refer Note 16.3)	-	-	-	48.07

The fair value of SAR was determined using the Black Scholes Model using the following inputs at the grant date and at each reporting dates:	SAR Scheme'2014		SAR Scheme'2018	
	As at 31 March		As at 31 March	
	2021	2020	2021	2020
Share price at measurement date (Rs. per share)	#	#	*	195.30
Exercise price (Rs. per share)	#	#	*	416.20
Expected time (in years)	#	#	*	5.66
Expected volatility (%)	#	#	*	52.96%
Dividend yield (%)	#	#	*	0.54%
Risk-free interest rate (%)	#	#	*	6.00%

#The Nomination and Remuneration Committee of the Board of Directors of the Parent Company in its meeting held on 17 Januray 2020 cancelled 2,00,000 Stock Appreciation rights issued to eligible employee on 27 October 2014 already vested under the Saregama Stock Appreciation Rights Scheme 2014 ("SAR 2014").
In accordance with the approval granted by shareholders in the Annual General Meeting held on 19 July 2019 w.r.t. modification of employee share benefit schemes, the Nomination and Remuneration Committee has granted 2,00,000 Options to eligible employee under the Saregama Employee Stock Option Scheme 2013 in lieu of SAR 2014 keeping all other terms and conditions of the replaced awards remain the same as the original award, being in line with the requirements of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
The aforesaid Options would vest as per the vesting schedule approved by the Nomination and Remuneration Committee and the exercise period is 10 years from the date of vesting.

*The Nomination and Remuneration Committee of the Board of Directors of the Parent Company in its meeting held on 30 June 2020 cancelled 1,00,000 Stock Appreciation rights issued to eligible employees on 31 July 2018 under the Saregama Stock Appreciation Rights Scheme 2018 ("SAR 2018").
In accordance with the aforesaid shareholders approval w.r.t. modification of employee share benefit schemes, the Nomination and Remuneration Committee has granted 1,00,000 Options to the eligible employees under the Saregama Employee Stock Option Scheme 2013 in lieu of SAR 2018 keeping all other terms and conditions of the replaced awards remain the same as the original award, being in line with the requirements of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
The aforesaid Options would vest as per the vesting schedule approved by the Nomination and Remuneration Committee and the exercise period is 10 years from the date of vesting.

(b) Employee stock option scheme

The establishment of the Employee Stock Option Scheme 2013 (Scheme) was approved by the shareholders of the Parent Company at the Annual General Meeting held on 26 July 2013. The Scheme is designed to provide incentives to eligible employees to deliver long term returns. Under the Scheme each Option entitles the holder thereof to apply for and be allotted one equity shares of the Company of Rs.10 each upon payment of the exercise price during the exercise period as defined in the Scheme.
The exercise period commences from the date of vesting of the Options and expires at the end of 10 years from the date of vesting. The Options have been granted at the 'market price' as defined under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

Information in respect of Options granted under the Scheme :
Pursuant to approved Scheme, the Compensation Committee / Nomination and Remuneration Committee of the Board of Directors of the Parent Company has granted shares / options during 2016-17, 2019-20 and 2020-21 to certain eligible employees and outstanding as on 31 March 2021 at the following exercise price, being prevailing market price as on date of grant to respective employee :

	As at 31 March 2021		As at 31 March 2020	
Name of eligible employees	No. of options/shares	Exercise price per share (Rs.)	No. of options/shares	Exercise price per share (Rs.)
Mr. Vikram Mehra, Managing Director**	90,000	416.20	2,00,000	170.65
Mr. Kumar Ajit, Vice President - Sales and marketing@	2,000	243.70	4,000	243.70
Ms. Rashna Pochkhanwala, Vice President - Music Licencing**	10,000	416.20	-	-

@ Exercise of options by the option holders shall entail issuance of equity shares by the Company on compliance / completion of related formalities on the basis of 1:1.

** The Nomination and Remuneration Committee of the Board of Directors of the Parent Company in its meeting held on 8 May 2019, has recommended amendments to the clauses in the ESOS 2013 to effect implementation of the said scheme through Saregama Welfare Trust and the same has been approved by the shareholders of the Paremt Company in the Annual General Meeting held on 19 July 2019. Basis the above modification, ESOS 2013 is being implemented through a trust viz. Saregama Welfare Trust ("Trust") in accordance with the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI SBEB Regulations"). This involves secondary market acquisition of the Company's equity shares by the Trust.

Measurement of fair value

The fair value of Employee Stock Options as on the date of grant was determined using the Black Scholes Model which takes into account the share price at the measurement date, expected price volatility of the underlying share, the expected dividend yield and risk free interest rate and carrying amount of liability included in employee benefit obligations.

The fair value of the options and the inputs used in the measurement of fair value as on the grant date are as follows:

	Vikram Mehra		Rashna Pochkhanwala	Kumar Ajit
Grant date	17-Jan-20	30-Jun-20	30-Jun-20	09-Sep-16
Fair value at grant date (Rs.)	304.40	244.26	244.26	141.90
Share price at grant date (Rs.)	435.00	426.80	426.80	243.70
Exercise price (Rs.)	170.65	416.20	416.20	243.70
Expected volatilty	48.50%	55.80%	55.80%	55.96%
Expected Life (expected weighted average life)	3.9 Years	6.24	6.24	8 Years
Expected dividend	0.54%	0.58%	0.58%	1.34%
Risk free interest rate (based on Government bonds)	6.40%	5.56%	5.56%	7.00%

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Expected volatility has been based on the evaluation of the historical volatility of the Company's share price, particularly over the historical period commensurate with the expected term. The Expected term of the instruments has been based on the historical experience and general option holder behaviour.

Reconciliation of outstanding share options

	31 March 2021	31 March 2020
Number of Options Outstanding at the beginning of the year	**204000**	19529
Number of Options granted during the year	**100000**	200000
Number of Options forfeited/lapsed during the year	-	9
Number of Options vested during the year	**202000**	2000
Number of Options exercised during the year	**202000**	15520
Number of Shares arising as a result of exercise of options	**2000**	15520
Number of Options outstanding at the end of the year	**102000**	204000
Number of Options exercisable at the end of the year	-	-

The weighted average share price of shares arising upon exercise of Options for the year ended 31 March 2021 based on the closing market price on NSE was **Rs.815.35** (31 March 2020 - Rs.476.91).

(c) Expense arising from share based payment transactions

Total expenses arising from share-based payment transactions recognised in Statement of Profit and Loss as part of employee benefit expense are as follows:

	Year ended 31 March 2021	Year ended 31 March 2020
Employee stock option scheme	**137.71**	21.78
Share appreciation rights (SAR)	**102.54**	(510.05)

During the year ended 31 March 2021 and 31 March 2020, the Parent Company issued ESOP as replacement for outstanding stock appreciation rights awards. The replacement was pursuant to SEBI (Share Based Employee Benefits) Regulations, 2014. The awards were granted after necessary approvals from the Nominarion and Remuneration Commitee, all other terms and conditions of the replaced awards remain the same as the original award.

The replacement awards was accounted as a modification and the fair value on the date of modification of **Rs.150.61 Lakhs** (2019-20 - Rs.510.81 Lakhs) recognized as equity with a corresponding adjustment to financial liability. The movement in the fair value of Stock Appreciation Rights till the date of its cancellation has been charged to the statement of profit and loss.

SAREGAMA INDIA LTD.

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(Amount in Rupees lakhs, except otherwise stated)

32 Fair value measurements

(i) Financial instruments by category

		Notes	As at 31 March 2021 Carrying Amount / Fair Value	As at 31 March 2020 Carrying Amount / Fair Value
A.	**Financial assets**			
(a)	**Measured at fair value through OCI**			
	Investments			
	Equity instruments	7.1	**11,141.20**	7,544.15
	Sub total		**11,141.20**	7,544.15
(b)	**Measured at fair value through profit and loss**			
	Investments			
	Units of Mutual Funds (quoted)	10.1	**2,516.38**	-
	Sub total		**2,516.38**	-
(c)	**Measured at amortised cost**			
	Trade receivables	10.2	**8,735.30**	10,845.84
	Cash and cash equivalents	10.3	**1,113.49**	704.70
	Other bank balances	10.4	**13,383.87**	194.61
	Loans and deposits	7.2,10.5	**1,351.79**	503.58
	Other financial assets	7.3,10.6	**185.85**	7.49
	Sub total		**24,770.30**	12,256.22
	Total financial assets		**38,427.88**	19,800.37
B.	**Financial Liabilities**			
	Measured at amortised cost			
	Borrowings	16.1	-	923.22
	Lease liabilities	4	**110.22**	47.03
	Trade payables	16.2	**5,630.40**	5,800.39
	Other financial liabilities	16.3	**6,477.22**	2,346.40
	Total financial liabilities		**12,217.84**	9,117.04

(ii) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows below:

Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: Inputs other than quoted price included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
The fair value of financial instruments that are not traded in an active market is determined using market approach and valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).
If one or more of the significant inputs is not based on observable market data, the fair value is determined using generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparty.

The fair value of trade receivables, cash and cash equivalents, other bank balances, loans and deposits, trade payables, borrowings, lease liabilities and other financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short-term nature. The fair values of unquoted equity instruments were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterpaty credit risk.
There has been no change in the valuation methodology for Level 3 inputs during the year. The Group has classified certain financial instruments under Level 3 of the fair value hierarchy. There were no transfers between Level 1 and Level 2 during the year ended 31 March 2021 and 31 March 2020.

Particulars	Fair Value Hierarchy Level	As at 31 March 2021	As at 31 March 2020
Financial assets			
Measured at fair value through OCI			
Investments			
Equity instruments (quoted)	1	**10,954.97**	7,365.61
Equity instruments (un-quoted)	3	**186.23**	178.54
		11,141.20	7,544.15
Measured at fair value through profit and loss			
Investments			
Units of Mutual Funds (quoted)	1	**2,516.38**	-

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SAREGAMA INDIA

32 Fair value measurements

(ii) Fair value hierarchy (Continued)

Since, some of the Group's financial assets as mentioned in above table are carried at fair value for which Level 3 inputs have been used. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

	Valuation Technique	Significant unobservable inputs	Sensitivity	
			31 March 2021	31 March 2020
Unquoted Equity Instruments	Discounted cash flow	Earning growth rate/ Discounting rate	**Increase in earning growth rate by 1% and lower discount rate by 1% would increase fair value by Rs.96.62 Lakhs.**	Increase in earning growth rate by 1% and lower discount rate by 1% would increase fair value by Rs.46.17 Lakhs.
			Decrease in earning growth rate by 1% and higher discount rate by 1% would decrease fair value by Rs. 69.83 Lakhs.	Decrease in earning growth rate by 1% and higher discount rate by 1% would decrease fair value by Rs. 40.60 Lakhs.

Level 3 fair values - Movement in the values of unqouted equity instruments

The following table shows a reconciliation from the opening balance to the closing balance for Level 3 fair values:

Particulars	FVOCI Equity Instruments
Balance at 1 April 2019	139.53
Gain / (loss) included on OCI	
- Net change in fair value (unrealised)	39.01
Balance at 31 March 2020	178.54
Balance at 1 April 2020	**178.54**
Gain / (loss) included on OCI	
- Net change in fair value (unrealised)	**7.69**
Balance at 31 March 2021	**186.23**

SAREGAMA INDIA LTD.

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33 Financial risk management

The Group has a system-based approach to risk management, anchored to policies and procedures and internal financial controls aimed at ensuring early identification, evaluation and management of key financial risks (such as market risk, credit risk and liquidity risk) that may arise as a consequence of its business operations as well as its investing and financing activities.

Accordingly, the Group's risk management framework has the objective of ensuring that such risks are managed within acceptable and approved risk parameters in a disciplined and consistent manner and in compliance with applicable regulation. It also seeks to drive accountability in this regard.

This Note explains the sources of risk which the entity is exposed to and how the entity manages the risk. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

(A) Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The Group is exposed to credit risk from its operating activities (primarily Trade Receivables) and from its investing activities (primarily Deposits with Banks).

Trade receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers. Customer credit risk is managed by respective segment subject to the Group's policy and procedures which involve credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Group grants credit terms in the normal course of business. The Group's customer base is large and diverse limiting the risk arising out of credit concentration. Further, credit is extended in business interest in accordance with business-specific credit policies. The Group's exposure to trade receivables on the reporting date, net of expected loss provisions, stood at **Rs. 8,735.30 Lakhs** as on 31 March 2021 (31 March 2020 - Rs.10,845.84 Lakhs).

All overdue customer balances are evaluated taking into account the age of the dues, specific credit circumstances, the track record of the counterparty etc. On account of adoption of Ind AS 109, the Group uses expected credit loss model to assess the impairment loss.

The movement of the expected loss provision (allowance for bad and doubtful loans and receivables etc.) made by the Group are as under:

Particulars	Expected Loss Provision	
	As at 31 March 2021	As at 31 March 2020
Opening balance	**1,143.40**	1,006.83
Add: Provision made during the year (net)	**37.77**	136.57
Less: Utilisation for impairment/de-recognition/reversal of provision	**-**	-
Closing balance	**1,181.17**	1,143.40

Other financial assets

Credit risk from balances with banks, term deposits and investments is managed by Group's finance department. Investments in fixed deposits are held with highly rated banks. Investments of surplus are made within assigned credit limits with approved counterparties who meet the threshold requirements with respect to ratings, financial strength, credit spreads etc. Counterparty credit limits are set to minimize concentration risk and are reviewed periodically by the Board of Directors.

The Group's maximum exposure to credit risk for the components of the Balance Sheet as of 31 March 2021 and 31 March 2020 is the carrying amounts as disclosed in Note 7.1, 7.2, 7.3, 10.1, 10.3, 10.4, 10.5 and 10.6.

(B) Liquidity risk

Liquidity risk refers to the risk that the Group fails to honour its financial obligations in accordance with terms of contract. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions.

Management monitors rolling forecasts of the Group's liquidity position (including the undrawn credit facilities extended by banks and financial institutions) and cash and cash equivalents on the basis of expected cash flows. In addition, the Group's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

The following table shows a maturity analysis of the anticipated cash flows including interest obligations for the Group's non-derivative financial liabilities on an undiscounted basis (all payable within 12 months), which therefore does not differ significantly from their carrying value as the impact of discounting is not significant.

Non-derivative financial liabilities	**As at 31 March 2021**	As at 31 March 2020
(i) Borrowings including interest obligation (Refer Note 16.1)	**-**	923.22
(ii) Lease liabilities (Refer Note 4)	**127.08**	48.91
(iii) Trade payables (Refer Note 16.2)	**5,630.40**	5,800.39
(iv) Other financial liabilities (Refer Note 16.3)	**6,477.22**	2,346.40
	12,234.70	9,118.92

The Group does not have derivative financial liabilities as at the end of above mentioned reporting periods.

SAREGAMA INDIA LTD

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33 Financial risk management (continued)

(C) Market risk

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group transacts business in local currency and in foreign currencies (primarily US Dollars). The Group has foreign currency trade receivables and trade payables and is therefore exposed to foreign currency risk. The risk is measured through a forecast of highly probable foreign currency cash flows.

The Group's risk management policy is hedging of net foreign currency exposure at all points in time through foreign exchange forward contracts. The objective of the hedging is to eliminate the currency risk due to volatility in exchange rates.

(a) Foreign Currency Risk Exposure:

The Group's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

	As at 31 March 2021		As at 31 March 2020	
	Financial Assets	**Financial Liabilities**	Financial Assets	Financial Liabilities
USD	**582.57**	-	416.54	6.60
Others	**8.04**	-	16.58	-
Total	**590.61**	-	433.12	6.60

Net Exposure to Foreign Currency Risk (Assets - Liabilities)	**As at 31 March 2021**	As at 31 March 2020
USD	**582.57**	409.94
Others	**8.04**	16.58
Total	**590.61**	426.52

(b) Sensitivity

The sensitivity of profit or loss due to changes in the foreign exchange rates arises mainly from foreign currency denominated financial instruments. 10 % appreciation / depreciation of the respective foreign currencies with respect to functional currency (holding all other variables constant) of the Group would result in increase / decrease in the Group's profit before tax as computed below:

	Impact on profit before tax	
	Year ended 31 March 2021	Year ended 31 March 2020
USD sensitivity		
INR/USD -Increase by 10%	**58.26**	40.99
INR/USD -Decrease by 10%	**(58.26)**	(40.99)
Other currencies sensitivity		
INR/Others-Increase by 10%	**0.80**	1.66
INR/Others-Decrease by 10%	**(0.80)**	(1.66)

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to risk of changes in market interest rates relates primarily to the Group's debt interest obligation. Further the Group engages in financing activities at market linked rates, any changes in the interest rate environment may impact future rates of borrowings.

The exposure of the Group's financial assets and financial liabilities to interest rate risk is as follows:

	As at 31 March 2021		As at 31 March 2020	
	Floating Rate	**Fixed Rate**	Floating Rate	Fixed Rate
Financial assets	-	**9,878.25**	-	174.67
Financial liabilities	-	-	923.22	-
	-	**9,878.25**	923.22	174.67

Increase/ decrease of 50 basis points (holding all other variables constant) in interest rates at the balance sheet date would result in increase/decrease of **Rs. Nil** (31 March 2020 - Rs.4.62 Lakhs) in interest expense on financial liabilities with floating interest rate and corresponding impact on profit before tax for the year ended 31 March 2021.

The Group invests its surplus funds in fixed deposits and debt mutual funds. Fixed deposits are held with highly rated banks and have a short tenure and are not subject to interest rate volatility.

(iii) Securities price risk

Securities price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded prices. The Group is not an active investor in equity markets; it continues to hold certain investments in equity for long term value accretion which are accordingly measured at fair value through Other Comprehensive Income. The value of investments in such equity instruments (including quoted and unquoted) as at 31 March 2021 is **Rs.11,141.20 Lakhs** (31 March 2020 - Rs.7,544.15 Lakhs). Accordingly, fair value fluctuations arising from market volatility is recognised in Other Comprehensive Income.

The Group also invests in mutual fund schemes of leading fund houses. Such investments are susceptible to market price risk that arise mainly from changes in interest rate which may impact the return and value of such investments. However, given the relatively short tenure of underlying portfolio of the mutual fund schemes in which the Company has invested, such price risk is not significant.

SAREGAMA INDIA LTD.

B S R & Co. LLP KOLKATA Chartered Accountants

(Amount in Rupees lakhs, except otherwise stated)

34 Capital Management

(a) Risk Management

The Group's objectives when managing capital are to:

• safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and

• maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of net debt to equity ratio and maturity profile of overall debt portfolio of the Group.

Net debt implies total borrowings of the Group as reduced by Cash and Cash Equivalent and Equity comprises all components attributable to the owners of the Group

The following table summarises the capital of the Company:

	As at 31 March 2021	As at 31 March 2020
Total borrowings (Refer Note 16.1)	-	923.22
Less: Cash and cash equivalents (Refer Note 10.3)	**(1,113.49)**	(704.70)
Net Debt	**(1,113.49)**	218.52
Equity (Refer Note 13.1 and 13.2)	**50,578.69**	39,879.07
Net Debt to Equity Ratio	**(0.02)**	0.01

Under the terms of the major borrowing facilities, the Group has complied with the financial covenants as imposed by the bank and financial institutions.

No changes were made to the objectives, policies or processes for managing capital during the years ended **31 March 2021** and 31 March 2020.

(b) Dividend on equity shares

	Year ended 31 March 2021	Year ended 31 March 2020
Dividend declared and paid during the year		
Final dividend for the year ended 31 March 2020 of Rs.1.50 (31 March 2019 - Rs.3.00) per fully paid share	**261.39**	522.60
Dividend distribution tax on above	-	107.42
Interim dividend for the year ended 31 March 2021 of **Rs.20** (31 March 2020 - Rs.Nil) per fully paid share	**3,485.60**	-
	3,746.99	630.02
Proposed dividend not recognised at the end of the reporting period		
Since year end the directors of the Parent Company have recommended the payment of a final dividend of **Rs.Nil** per fully paid share (31 March 2020 – Rs.1.50). This proposed dividend is subject to the approval of shareholders of the Parent Company in the ensuing annual general meeting. Hence, no liability has been recognised in books.	-	261.39
	-	261.39

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SAREGAMA INDIA LTD.

(Amount in Rupees lakhs, except otherwise stated)

35 Related party disclosures

a) Where Control exists

Holding Company

Name	Type	Place of Incorporation	Ownership Interest As at 31 March 2021	Ownership Interest As at 31 March 2020
Composure Services Private Limited (CSPL)	Holding Company	India	**59.05%**	59.06%

b) Joint venture

Saregama Regency Optimedia Private Limited (SROPL) (under liquidation effective 19 September 2016) [Refer Note 36 (b)]

c) Key management personnel of the Parent Company and its Holding Company

Name	**Relationship**
Mr.Sanjiv Goenka	Chairman and Non-Executive Director of Parent Company
Mr.Vikram Mehra	Managing Director of Parent Company
Mrs.Preeti Goenka	Non-Executive Director of Parent Company
Mrs.Avarna Jain	Non-Executive Director of Parent Company
Mr. Umang Kanoria	Non-Executive Independent Director of Parent Company
Mr.Santanu Bhattacharya	Non-Executive Independent Director of Parent Company
Mr.Arindam Sarkar	Non-Executive Independent Director of Parent Company
Mr.Noshir Naval Framjee	Non-Executive Independent Director of Parent Company
Mrs.Kusum Dadoo	Non-Executive Independent Director appointed w.e.f. 05 June 2020 and resigned w.e.f. 04 February 2021
Mrs. Suhana Murshed	Non-Executive Independent Director appointed w.e.f 23 March 2021
Mr.Vineet Garg	Chief Financial Officer of Parent Company
Mrs.Kamana Goenka	Company Secretary of Parent Company
Mr.Rajendra Dey	Director of Holding Company
Mr.Akhilanand Joshi	Director of Holding Company

d) Other Related Parties with whom the Company had transactions

Name	**Relationship**
RPSG Resources Private Limited (formerly known as Accurate Commodeal Private Limited)	Entity controlled by KMP of the Parent Company w.e.f. 25 March 2020
Saregama India Limited Employees Group Gratuity Fund (Gratuity Fund)	Post Employment Benefit Plan of the Parent Company
Saregama India Limited Superannuation Fund (Superannuation Fund)	Post Employment Benefit Plan of the Parent Company
Saregama Welfare Trust	Share Based Benefits Scheme of the Parent Company w.e.f 8 May 2019

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35 Related party disclosures (continued)

Transactions with related parties

		Year ended 31 March 2021	Year ended 31 March 2020
A	**Holding Company**		
	Dividend Paid	154.37	308.75
B	**Entity jointly controlled by KMP of the Parent Company**		
	RPSG Resources Private Limited		
	Royalty expense for brand usage	425.00	118.75
	Reimbursement of expenses received	200.00	68.75
C	**Remuneration to Key management personnel of the Parent Company**		
	Mr.Vikram Mehra *	642.29	593.14
	Mr.Vineet Garg	182.88	163.95
	Mrs.Kamana Goenka	15.06	14.42
D	Loan given to Mr. Vikram Mehra	895.00	-
E	**Sitting fees paid to Key management personnel of Parent Company**		
	Mr.Sanjiv Goenka	1.25	1.20
	Mrs.Preeti Goenka	1.00	0.80
	Mrs.Avarna Jain	1.00	0.80
	Mr.Umang Kanoria	1.40	0.50
	Mr.Santanu Bhattacharya	1.95	1.75
	Mr.Arindam Sarkar	1.00	0.80
	Mr.Noshir Naval Framjee	1.70	1.75
	Mrs.Kusum Dadoo	0.60	-
F	**Post employment benefit plan of the Parent Company**		
	Contribution towards Saregama India Limited Employees Group Gratuity Fund	140.00	30.00
	Contribution towards Saregama India Limited Superannuation Fund	15.49	14.77
G	**Other Related Party**		
	Loans given to Saregama Welfare Trust for purchase of treasury shares	210.00	767.95

Key management personnel compensation*

		Year ended 31 March 2021	Year ended 31 March 2020
	Short-term Employee Benefits	786.60	731.96
	Post Employment Benefits	37.49	29.61
	Other Long- term Benefits	16.14	9.94

* The above compensation does not include perquisite value of interest free loan and perquisite value of shares options exercised during the year aggregating to Rs.1,341.75 Lakhs for the year ended 31 March 2021, as defined under the Income-tax Act,1961.

The total managerial remuneration paid/payable to Managing Director of the Parent Company including the aforesaid perquisite value of interest free loan and perquisite value of shares options exercised during the year, as defined under the Income-tax Act, 1961, has exceeded the prescribed limits under Section 197 read with Schedule V to the Companies Act, 2013. The Parent Company has obtained necessary approvals as required under the relevant provisions of the Companies Act, 2013.

Balances outstanding at the year end

		As at 31 March 2021	As at 31 March 2020
A	**Joint venture company**		
1)	Non-current investments @		
	SROPL	145.97	145.97
2)	Provision for diminution in the value of investments		
	SROPL	145.97	145.97
B	**Entity jointly controlled by KMP of the Parent Company**		
	RPSG Resources Private Limited		
	Reimbursement of expenses receivable	177.00	56.12
C	**Key management personnel of the Parent Company**		
	Remuneration payable		
	- Mr.Vikram Mehra	125.00	103.85
	- Mr.Vineet Garg	26.79	23.76
	- Mrs.Kamana Goenka	1.73	1.53
	Loan given to Mr. Vikram Mehra	895.00	-
D	**Other Related Party**		
	Saregama Welfare Trust		
	Loans	-	3.63
	@ Gross of Provision.		

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36 Interest in other entities:

(a) Interests in subsidiaries

The Parent Company's subsidiaries at 31 March 2021 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business

Name	Country of incorporation	Proportion of Ownership Interest as at	
		31 March 2021	31 March 2020
Saregama Limited (Formerly known as Saregama Plc)	United Kingdom	**76.41%**	76.41%
RPG Global Music Limited	Mauritius	**100%**	100%
Kolkata Metro Networks Limited	India	**100%**	100%
Open Media Network Private Limited	India	**100%**	100%
Saregama FZE	UAE	**100%**	100%
Saregama Inc (Wholly owned subsidiary of Saregama Limited)	USA	**76.41%**	76.41%

(b) Interests in joint venture

Set out below is the joint venture of the Group as at 31 March 2021. The entity have share capital consisting solely of equity shares, which are held directly by the Group. The country of incorporation is also its principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Name	Country of incorporation	Proportion of Ownership Interest as at	
		31 March 2021	31 March 2020
Saregama Regency Optimedia Private Limited (SROPL)	**India**	**26%**	26%

The above joint venture (JV) company has been directed to be wound up vide Order dated 19 September 2016 by the Hon'ble High Court at Calcutta and the Official Liquidator attached to this Court has forthwith taken into his custody all the property, effects, books of accounts, other documents and actionable claims. From the aforesaid date, its share in net assets of SROPL has been determined as on that date and shown under Investment accounted for using equity method. Accordingly, this entity has not been considered for consolidation by the Group.

37 Commitments

Estimated amount of contract remaining to be executed on Capital account and not provided for [net of advances of **Rs.1,058.38 Lakhs** (31 March 2020 - Rs.153.87 Lakhs)] as at 31 March 2021 are estimated at **Rs.1,376.43 Lakhs** (31 March 2020- Rs.89.33 Lakhs).

38 Contingent liabilities in respect of -

(i) Income Tax Matter

The Group has ongoing disputes with income tax authorities in India. The disputes relate to tax treatment of certain expenses claimed as deductions, computation or eligibility of allowances. The Group has contingent liability of **Rs.1,050.74 Lakhs** as at 31 March 2021 (31 March 2020 - Rs.2,090.00 Lakhs) in respect of tax demands which are being contested by the Group based on the management evaluation and advice of tax consultants.

(ii) Indirect Tax Matter

The Group has ongoing disputes with Indian tax authorities mainly relating to treatment of characterisation and classification of certain items. The Group has demands amounting to **Rs.463.63 Lakhs** as at 31 March 2021 (31 March 2020 - Rs.513.09 Lakhs) relating to Excise duty, Custom duty, Service tax, Sales tax/VAT and Other indirect taxes from respective indirect tax authorities which are being contested by the Group based on the management evaluation and advice of tax consultants.

(iii) Copyright Matter

The Group has received legal notices of claims / lawsuits filed against it relating to infringement of copyrights in relation to the music used / other matters. Based on management evaluation and advice from legal solicitors, **Rs.20.25 Lakhs** as at 31 March 2021 (31 March 2020 - Rs.39.03 Lakhs) is considered as contingent on account of such claims / law suits.

(iv) Other matters including claims related to property related demands **Rs.4,295.04 Lakhs** as at 31 March 2021 (31 March 2020 - Rs.3,628.09 Lakhs).

In respect of above, it is not practicable for the Group to estimate the timings of cash outflows, if any, pending resolution of the respective proceedings. The Group does not expect any reimbursements in respect of the above.

39 The Group has following un-hedged exposures in foreign currencies

	Year ended 31 March 2021		Year ended 31 March 2020	
	Foreign currency in Lakhs	**Amount in Rs. Lakhs**	Foreign currency in Lakhs	Amount in Rs. Lakhs
Trade Receivables	**USD 7.98**	**582.57**	USD 5.52	416.54
Trade Receivables	**OMR 0.01**	**0.12**	-	-
Trade Receivables	-	-	MYR 0.03	0.53
Trade Receivables	**AED 0.10**	**1.98**	AED 0.32	6.60
Trade Receivables	-	-	SGD 0.01	0.45
Trade Receivables	**NPR 9.85**	**5.94**	NPR 14.29	9.00
Trade Payables	-	-	USD 0.14	6.60

40 Basic and diluted earnings per share:

	Year ended 31 March 2021	Year ended 31 March 2020
Number of equity shares at the beginning of the year	**1,74,26,012**	1,74,10,492
Number of equity shares at the end of the year	**1,74,28,012**	1,74,26,012
Weighted average number of equity shares outstanding during the year (A)	**1,74,27,130**	1,74,21,054
Weighted average number of equity shares held in controlled trust (B)	**2,73,799**	50,285
Weighted average number of equity shares for computing basic earnings per share [C= (A-B)]	**1,71,53,331**	1,73,70,769
Weighted average number of potential equity shares on account of employee stock options (D)	**1,69,071**	26,385
Weighted average number of equity shares for computing diluted earnings per share [E= (C+D)]	**1,73,22,402**	1,73,97,154
Nominal value of each equity share (Rs.)	**10**	10
Profit after tax available for equity shareholders (Rs in Lakhs) [F]	**11,255.41**	4,393.84
Basic earnings per share (Rs.) [F/C]	**65.61**	25.29
Diluted earnings per share (Rs.) [F/E]	**64.97**	25.26

SAREGAMA INDIA LTD.

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SAREGAMA INDIA LIMITED
Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)
(Amount in Rupees lakhs, except otherwise stated)

41 Segment Information

(a) Description of segments and principal activities

The Group's Chief Operating Decision Maker ('CODM') examines the Group's performance and has identified three reportable segments of its business

Music : The Group is primarily engaged in the business of manufacturing and sale of Music storage device viz Carvaan, Music Card etc. and dealing with related music rights

Film/TV Serials : The Group is also engaged in production and sale/telecast/broadcast of films/TV Serials, pre-recorded programmes and dealing in film rights

Publication : Group also publishes weekly current affairs magazine 'OPEN' through its publication business

The segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statement. Also the group's borrowings (including finance costs and interest income), income taxes and investments are managed at head office and are not allocated to operating segments

Segment Revenue is measured in the same way as in the Statement of Profit and Loss

Segment assets and liabilities are measured in the same way as in the consolidated financial statements. These assets are allocated based on the operations of the segment and the physical location of the assets.

(b) Information about reportable segments

Particulars	Year ended 31 March 2021				Year ended 31 March 2020			
	Music	Films/TV Serials	Publication	Total	Music	Films/TV Serials	Publication	Total
Segment revenue								
- External sales	38,547.46	5,210.37	438.43	44,196.26	44,434.49	7,025.00	688.00	52,147.49
- Intersegment sales	-	-	-	-	-	-	-	-
Total segment revenue	38,547.46	5,210.37	438.43	44,196.26	44,434.49	7,025.00	688.00	52,147.49

Particulars	Year ended 31 March 2021				Year ended 31 March 2020			
	Music	Films/TV Serials	Publication	Total	Music	Films/TV Serials	Publication	Total
Segment result	18,794.72	(3.85)	(1,203.24)	17,587.63	9,055.51	915.11	(1,291.80)	8,678.82
Reconciliation to profit before tax								
Finance costs				(345.06)				(671.47)
Other unallocated expenditure (net of unallocated income)				(2,051.93)				(1,972.58)
Profit before tax				15,190.64				6,034.77
Taxes				(3,844.18)				(1,685.32)
Profit for the year				11,346.46				4,349.45

Particulars	Year ended 31 March 2021					Year ended 31 March 2020				
	Music	Films/TV Serials	Publication	Unallocated	Total	Music	Films/TV Serials	Publication	Unallocated	Total
Segment depreciation and amortisation	496.77	37.74	20.96	5.53	561.00	372.75	66.54	18.89	5.58	463.76
Non cash expenses*					561.00					463.76

*There are no other significant non-cash expenditure other than depreciation and amortisation

Particulars	As at 31 March 2021				As at 31 March 2020			
	Music	Films/TV Serials	Publication	Total	Music	Films/TV Serials	Publication	Total
Segment assets	40,156.00	5,724.00	456.05	46,336.05	42,878.18	5,489.14	466.19	48,833.51
Reconciliation to total assets								
Unallocated assets				32,064.15				13,141.67
Total assets				78,400.20				61,975.18

Particulars	Year ended 31 March 2021					Year ended 31 March 2020				
	Music	Films/TV Serials	Publication	Unallocated	Total	Music	Films/TV Serials	Publication	Unallocated	Total
Addition to non current assets other than financial assets	1,012.00	17.37	9.75	187.71	1,226.83	734.19	5.42	1.07	125.94	866.62

Particulars	As at 31 March 2021				As at 31 March 2020			
	Music	Films/TV Serials	Publication	Total	Music	Films/TV Serials	Publication	Total
Segment liabilities	16,485.73	909.00	285.02	17,679.75	14,373.45	826.56	297.86	15,497.87
Reconciliation to total liabilities								
Unallocated liabilities				9,828.69				6,373.38
Total liabilities				27,508.44				21,871.25

(c) Additional information by geographics

The amount of revenue from external customers broken down by the location of the customers is shown in table below-

Revenue from external customers	Year ended 31 March 2021	Year ended 31 March 2020
India	33,687.79	41,429.65
Other Countries	10,508.47	10,717.84
Total	44,196.26	52,147.49

The total of segment assets broken down by location of the assets is shown below-

Non-current assets*	As at 31 March 2021	As at 31 March 2020
India	23,898.31	22,156.26
Other Countries	-	-
Total	23,898.31	22,156.26

* Excluding financial instruments, etc as defined under Indian Accounting Standard (Ind AS) 108 on 'Operating Segment' notified in the Act

(d) Revenue from major customers

The Group is not reliant on revenues from transactions with any single external customer and does not receive 10% or more of its revenues from transactions with any single external customer.

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SAREGAMA INDIA LTD.

(Amount in Rupees lakhs, except otherwise stated)

42 Additional information pursuant to paragraph 2 of Division II of schedule III to the Companies Act 2013

Name of the Entity	As at 31 March 2021 Net Assets, i.e. total assets minus total liabilities		2020-21 Share in Profit or Loss		2020-21 Share in Other Comprehensive Income		2020-21 Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount	As % of Consolidated profit or loss	Amount	As % of Consolidated Other comprehensive income	Amount	As % of Consolidated Total comprehensive income	Amount
Parent								
Saregama India Limited	100.12%	50,954.15	94.32%	10,701.79	81.55%	2,508.55	91.60%	13,210.34
Subsidiaries								
Indian								
Kolkata Metro Networks Limited	4.09%	2,081.56	0.85%	96.71	18.52%	569.83	4.62%	666.54
Open Media Network Private Limited	0.40%	206.03	-0.02%	(2.37)	0.09%	2.78	0.00%	0.41
Foreign								
RPG Global Music Limited	-0.88%	(445.48)	0.00%	(0.02)	-	-	0.00%	(0.02)
Saregama Limited (Formerly Saregama Plc.)	-0.58%	(295.68)	2.60%	294.92	-0.30%	(9.18)	1.97%	285.74
Saregama FZE	0.11%	57.84	-0.55%	(62.09)	0.23%	6.93	-0.38%	(55.16)
Non-Controlling Interest	0.62%	313.07	0.80%	91.05	-0.09%	(2.84)	0.62%	88.21
Adjustment arising out of consolidation	-3.88%	(1,979.73)	2.00%	226.47	-	-	1.57%	226.47
Total	100%	50,891.76	100%	11,346.46	100%	3,076.07	100%	14,422.53

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Jayanta Mukhopadhyay
Partner
Membership Number: 055757

B S R & Co. LLP
KOLKATA
Chartered Accountants

Place : Kolkata
Date : 12 May 2021

For and on behalf of the Board of Directors of
Saregama India Limited
CIN: L22213WB1946PLC014346

Sanjiv Goenka
Chairman
DIN: 00074796

Vikram Mehra
Managing Director
DIN: 03556680

Vineet Garg
Chief Financial Officer

Place : Kolkata
Date : 12 May 2021

Kamana Goenka
Company Secretary
ACS: 35161

Place : Kolkata
Date : 12 May 2021

Annexure I

AOC-1

(Prusuant to first proviso to sub-section (3) of section 129 read with rule of Companies (Accounts) Rules,2014)

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

Part "A": Subsidiaries

(Amount in Rupees lakhs, except otherwise stated)

Name of the subsidiary	Saregama Limited (Formerly Known as Saregama Plc), United Kingdom	Saregama Inc, United States of America ##	Saregama FZE, Dubai	RPG Global Music Limited, Mauritius	Kolkata Metro Networks Limited, India	Open Media Network Private Limited, India
1. Reporting period for the subsidiary concerned, if different from the holding company's reporting period	No	No	No	No	No	No
2. Reporting currency and exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	GBP #	USD *	AED **	INR	INR	INR
3. Share capital	69.24	324.27	310.62	1,026.20	1,705.00	7,082.70
4. Other Equity / Reserves & surplus	86.32	(127.78)	(252.77)	(1,471.68)	376.56	(6,876.67)
5. Total assets	711.85	594.86	172.96	3.00	2,302.29	490.94
6.Total Liabilities (excluding Capital and Reserves)	556.29	398.37	115.11	448.48	220.73	284.91
7.Details of Investment (except in case of investment in the Subsidiaries)	-	-	-	-	2,020.62	-
8. Turnover	826.59	686.86	90.94	-	234.18	1,653.02
9. Profit /(Loss) before taxation	163.01	175.08	(62.09)	(0.02)	116.22	(3.35)
10. Provision for taxation	-	(19.30)	-	-	19.51	(0.98)
11. Profit after taxation	163.01	194.38	(62.09)	(0.02)	96.71	(2.37)
12. Proposed Dividend	-	-	-	-	-	-
13. % of shareholding	76.41%	76.41%	100%	100%	100%	100.00%

GBP exchange rates as at year end considered for conversion:

GBP1 = Rs 100.41 for Asset (Closing Buying Rate), Fixed Asset at Historical cost
GBP1 = Rs 103.60 for Liabilites(Closing Selling Rate), Share Capital and Share Premium at Historical cost
GBP1 = Rs 94.82 for Income (Average Buying Rate)
GBP1 = Rs 97.84 for Expense (Average Selling Rate)

** AED exchange rates as at year end considered for conversion:
AED1 = Rs.19.28 for Asset (Closing Buying Rate),
AED1 = Rs 20.49 for Liabilites(Closing Selling Rate), Share Capital at Historical cost
AED1 = Rs.19.66 for Income (Average Buying Rate)
AED1 = Rs 20.86 for Expense (Average Selling Rate)

* Rate Conversion from GBP to USD is 1.3976
Step down subsidiary of the Parent company through Saregama Limited

Part "B": Associates and Joint Ventures

Name of Associates/Joint Ventures	**Saregama Regency Optimedia Private Limited**
1. Latest audited Balance Sheet Date	*
2. Shares of Associate/Joint Ventures held by the company on the year end	
No.	*
Amount of Investment in Associates/Joint Venture	*
Extend of Holding %	*
3. Description of how there is significant influence	*
4. Reason why the associate/joint venture is not consolidated	*
6. Networth attributable to Shareholding as per latest audited Balance Sheet	*
7. Profit / Loss for the year	
i. Considered in Consolidation	*
ii. Not Considered in Consolidation	*

* Saregama Regency Optimedia Private Limited (SROPL), a joint venture of the Company had been directed to be wound up vide Order dated 19 September 2016 by the Hon'ble High Court at Calcutta and the Official Liquidator attached to this Court has forthwith taken into his custody all the property, effects, books of accounts, other documents and actionable claims. Accordingly, the financial statements of SROPL has been prepared up to the date, preceding the date of Court Order.

In view of the above, joint venture is not consolidated and salient features of the financial statement of joint venture is not disclosed

Kolkata,
12 May 2021

Sanjiv Goenka
Chairman
DIN: 00074796

Vikram Mehra
Managing Director
DIN: 03556680

Vineet Garg
Chief Financial Officer

Kamana Goenka
Company Secretary
ACS: 35161

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INDEPENDENT AUDITORS' REPORT

To the Members of Saregama India Limited

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Saregama India Limited (hereinafter referred to as the 'Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2020, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2020, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

B S R & Co. LLP
KOLKATA
Chartered Accountants

B S R & Co. (a partnership firm with Registration No. BA61223) converted into B S R & Co. LLP (a Limited Liability Partnership with LLP Registration No AAB-8181) with effect from October 14, 2013

Registered Office :
5th Floor, Lodha Excelus
Apollo Mills Compound
N.M. Joshi Marg, Mahalakshmi
Mumbai - 400 011

Description of Key Audit Matter

Revenue Recognition See note 20 to the consolidated financial statements	
The key audit matter	**How the matter was addressed in our audit**
The Group derives its revenues from the sale of contractually manufactured products; licensing of music rights and income from films and television serials including free commercial time. The recognition of revenue from licence fees has been considered to be critical since the Group has entered into multiple complex contracts with its customers. The revenue gets recognised based on the logs/ information as received from such customers. The complexity of these contractual terms also requires the Group to make judgments in assessing whether it has fulfilled its obligations under the contracts before recognizing the revenue.	Our audit procedures include the following: • We have evaluated the terms of significant contracts pertaining to revenue from licence fees to identify the performance obligations under these contracts; • We have considered the revenue recognition policies of the Group in respect of those contracts and assessing the consistent application of these policies in light of the requirements of relevant accounting standards; • We have tested the effectiveness of relevant controls over revenue from licence fees; and • We have selected sample transactions and performed substantive procedures with regard to revenue from licence fees by agreeing to third party information, logs received from the customers and other relevant information. We tested the transactions closer to the year end to check the recognition of revenue in the correct period. Our testing, as described above, showed that revenue has been recorded in accordance with the terms of underlying contracts and accounting policy.

Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the holding Company's annual report, but does not include the financial statements and our auditors' report thereon.

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

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

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KOLKATA
Chartered Accountants

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 consolidated 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of Management and Board of Directors' use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in the section titled 'Other Matters' in this audit report.

  We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements of five subsidiaries, whose financial statements reflect total assets of Rs. 3,771.51 Lakhs as at 31 March 2020, total revenues of Rs. 4,327.56 Lakhs and net cash inflows amounting to Rs. 19.53 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management of the Holding Company and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report

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in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the audit reports of the other auditors.

Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the Management of the Holding Company and audited by us.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

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B. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, as noted in the 'Other Matters' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2020 on the consolidated financial position of the Group. Refer Note 38 to the consolidated financial statements.

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2020.

iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2020.

iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31 March 2020.

C. With respect to the matter to be included in the Auditors' report under section 197(16):

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies to its directors is in accordance with the provisions of Section 197 of the Act read with Schedule V to the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies is not in excess of the limit laid down under Section 197 of the Act read with Schedule V to the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

B S R & Co. LLP KOLKATA Chartered Accountants

Jayanta Mukhopadhyay
Partner
Membership No.: 055757
UDIN: 20055757AAAABE5687

Place: Kolkata
Date: 05 June 2020

Annexure A to the Independent Auditors' report on the consolidated financial statements of Saregama India Limited for the year ended 31 March 2020

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph (A(f)) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2020, we have audited the internal financial controls with reference to consolidated financial statements of Saregama India Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Act which are its subsidiary companies, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

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KOLKATA
Chartered Accountants

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

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

Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements

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

B S R & Co. LLP
KOLKATA
Chartered Accountants

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to two subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not modified in respect of the above matters.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

B S R & Co. LLP
KOLKATA
Chartered Accountants

Jayanta Mukhopadhyay
Partner
Membership No.: 055757
UDIN: 20055757AAAABE5687

Place: Kolkata
Date: 05 June 2020

SAREGAMA INDIA LIMITED
Consolidated Balance Sheet as at 31 March 2020
(Amount in Rupees lakhs, except otherwise stated)

Particulars	Notes	As at 31 March 2020	As at 31 March 2019
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	3	20,529.30	20,570.52
(b) Right-of-use assets	4	44.32	
(c) Investment properties	5	230.56	236.12
(d) Intangible assets	6	1,116.36	712.85
(e) Investment accounted for using equity method	36(b)	-	-
(f) Financial assets			
(i) Investments	7.1	7,544.15	14,834.05
(ii) Loans and deposits	7.2	472.47	492.22
(iii) Other financial assets	7.3	0.25	0.25
(g) Other non-current assets	8	235.70	160.98
Total non-current assets		30,173.11	37,006.99
(2) Current assets			
(a) Inventories	9	9,363.57	9,629.57
(b) Financial assets			
(i) Trade receivables	10.1	10,845.84	10,974.55
(ii) Cash and cash equivalents	10.2	704.70	500.21
(iii) Bank balances other than (ii) above	10.3	194.61	178.58
(iv) Loans	10.4	31.11	16.34
(v) Other financial assets	10.5	7.24	5.17
(c) Current tax assets (net)	11	3,689.46	3,490.55
(d) Other current assets	12	6,965.54	9,078.22
Total current assets		31,802.07	33,873.19
TOTAL ASSETS		61,975.18	70,880.18
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	13.1	1,742.60	1,741.05
(b) Other equity	13.2	38,136.47	41,067.25
Equity Attributable to Owners of the Company		39,879.07	42,808.30
Non-controlling interest		224.86	261.83
Total equity		40,103.93	43,070.13
Liabilities			
(1) Non-current liabilities			
(a) Employee benefit obligations	14	349.57	283.55
(b) Deferred tax liabilities (net)	15	4,578.49	5,804.81
Total non-current liabilities		4,928.06	6,088.36
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	16.1	923.22	6,376.53
(ii) Trade payables			
a) Total outstanding dues of micro enterprises and small enterprises	16.2	3.46	1.91
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	16.2	5,796.93	5,643.26
(iii) Lease liabilities	4	47.03	-
(iv) Other financial liabilities	16.3	2,346.40	4,212.94
(b) Other current liabilities	17	2,438.83	1,831.55
(c) Provisions	18	5,158.92	3,567.38
(d) Employee benefit obligations	19	228.40	88.12
Total current liabilities		16,943.19	21,721.69
TOTAL LIABILITIES		21,871.25	27,810.05
TOTAL EQUITY AND LIABILITIES		61,975.18	70,880.18

The accompanying notes 1 to 44 are an integral part of these consolidated financial statements
As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Jayanta Mukhopadhyay
Partner
Membership No.: 0557
UDIN: 20055757AAAABE

Place: Kolkata
Date: 05 June 2020

For and on behalf of the Board of Directors of
Saregama India Limited
CIN: L22213WB1946PLC014346

Sanjiv Goenka
Chairman
DIN: 00074796

Vikram Mehra
Managing Director
DIN: 03556680

Vineet Garg
Chief Financial Officer

Kamana Khetan
Company Secretary
ACS: 35161

Place: Kolkata
Date: 05 June 2020

Place: Kolkata
Date: 05 June 2020

B S R & Co. LLP KOLKATA Chartered Accountants

SAREGAMA INDIA LTD.

SAREGAMA INDIA LIMITED
Consolidated Statement of Profit and Loss for the year ended 31 March 2020
(Amount in Rupees lakhs, except otherwise stated)

	Particulars	Notes	Year ended 31 March 2020	Year ended 31 March 2019
I	Revenue from operations	20	52,147.49	54,471.98
II	Other income	21	1,122.90	5,641.02
III	**Total income (I+II)**		53,270.39	60,113.00
IV	**Expenses**			
	Cost of material consumed/ Contract manufacturing charges	22	10,702.76	22,160.81
	Cost of production of films and television serials	23	5,408.43	4,882.90
	Changes in inventories of finished goods and work-in-progress [(increase)/decrease]	24	255.96	(4,703.44)
	Employee benefits expense	25	6,661.54	5,651.33
	Finance costs	26	671.47	656.03
	Depreciation and amortisation expense	27	463.76	332.51
	Other expenses	28	23,071.70	22,664.89
	Total expenses (IV)		47,235.62	51,645.03
V	**Profit before tax (III-IV)**		6,034.77	8,467.97
VI	Tax expense			
	- Current tax	29	1,968.01	2,130.51
	- Tax related to prior period	29	45.95	-
	- Deferred tax [(credit)/charge]	15	(328.64)	904.80
	Total tax expense (VI)		1,685.32	3,035.31
VII	**Profit for the year (V-VI)**		4,349.45	5,432.66
VIII	**Other comprehensive income**			
	Items that will be reclassified to profit or loss:			
	(a) Exchange differences on translation of foreign operations		17.84	65.83
	Items that will not be reclassified subsequently to profit or loss:			
	(a) Remeasurements of post-employment benefit obligations		(100.79)	34.03
	(b) Changes in fair value of equity instruments designated at FVOCI		(7,289.90)	(259.45)
	(c) Income tax relating to items that will not be reclassified subsequently to profit or loss	15	870.65	23.07
	Other comprehensive income for the year, net of tax (VIII)		(6,502.20)	(136.52)
IX	**Total comprehensive income for the year (VII+VIII)**		(2,152.75)	5,296.14
	Profit for the year attributable to :-			
	(a) Owners of the Company		4,393.84	5,411.34
	(b) Non-Controlling Interest		(44.39)	21.32
	Other comprehensive income for the year attributable to :-			
	(a) Owners of the Company		(6,509.62)	(150.49)
	(b) Non-Controlling Interest		7.42	13.97
	Total comprehensive income for the year attributable to :-			
	(a) Owners of the Company		(2,115.78)	5,260.85
	(b) Non-Controlling Interest		(36.97)	35.29
XII	**Earnings per equity share:**[Nominal value per share Rs.10 (previous year- Rs. 10)]			
	Basic (Rs.)	40	25.29	31.20
	Diluted (Rs.)	40	25.26	31.18

The accompanying notes 1 to 44 are an integral part of these consolidated financial statements
As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Jayanta Mukhopadhyay
Partner
Membership No.: 055757
UDIN: 20055757AAAABE5687

B S R & Co. LLP KOLKATA Chartered Accountants

SAREGAMA INDIA LTD.

Place: Kolkata
Date: 05 June 2020

For and on behalf of the Board of Directors of
Saregama India Limited
CIN : L22213WB1946PLC014346

Sanjiv Goenka
Chairman
DIN: 00074796

Vikram Mehra
Managing Director
DIN: 03556680

Vineet Garg
Chief Financial Officer

Kamana Khetan
Company Secretary
ACS: 35161

Place: Kolkata
Date: 05 June 2020

Place: Kolkata
Date: 05 June 2020

SAREGAMA INDIA LIMITED
Consolidated Statement of changes in equity for the year ended 31 March 2020
(Amount in Rupees lakhs, except otherwise stated)

A. Equity share capital

Description	Number of shares	Amount
As at 1 April 2018	1,74,10,492	1,741.05
Changes in equity share capital	-	
As at 31 March 2019	1,74,10,492	1,741.05
Changes in equity share capital	15,520	1.55
As at 31 March 2020	1,74,26,012	1,742.60

B. Other equity

Particulars	Reserve and surplus						Item of Other Comprehensive Income (OCI)			Non controlling Interest	Total other equity
	Capital reserve	General reserve	Securities premium	Share options outstanding reserve	Treasury Shares	Retained earnings	Revaluation surplus	Equity instruments through OCI	Other items of other comprehensive income (FCTR)		
Balance at 1 April 2018	55.19	693.95	10,252.72	14.37	-	5,256.15	10,318.20	9,806.85	12.92	226.54	36,656.89
Profit for the year		-	-	-		5,411.34	-		-	21.32	5,432.66
Other comprehensive income for the year (net of tax)		-	-		-	23.97	-	(226.32)	51.86	13.97	(136.52)
Total comprehensive income for the year		-	-	-	-	5,435.31	-	(226.32)	51.86	35.29	5,296.14
Final dividend on equity shares for the financial year 2017-18	-		-	-		(522.31)					(522.31)
Dividend distribution tax on above	-		-		-	(107.36)					(107.36)
Recognition of share based payment expense (net)		-	-	(0.05)	-						(0.05)
Deferred Tax on revaluation of property, plant and equipment	-	-	-		-	-	2.67	-			2.67
Transfer from share option reserve on lapse	-	-	-		-	3.10	-		-		3.10
Balance at 31 March 2019	55.19	693.95	10,252.72	14.32	-	10,064.89	10,320.87	9,580.53	84.78	261.83	41,329.08

Particulars	Reserve and surplus						Item of Other Comprehensive Income (OCI)			Non controlling Interest	Total other equity
	Capital reserve	General reserve	Securities premium	Share options outstanding reserve	Treasury Shares	Retained earnings	Revaluation surplus	Equity instruments through OCI	Other items of OCI (FCTR)		
Balance at 1 April 2019	55.19	693.95	10,252.72	14.32	-	10,064.89	10,320.87	9,580.53	84.78	261.83	41,329.08
Profit for the year	-	-	-	-	-	4,393.84	-	-	-	(44.39)	4,349.45
Other comprehensive income for the year (net of tax)	-	-	-	-	-	(74.73)	-	(6,445.31)	10.42	7.42	(6,502.20)
Total comprehensive income for the year	-	-	-	-	-	4,319.11	-	(6,445.31)	10.42	(36.97)	(2,152.75)
Issue of equity shares under Saregama Employee Stock Option Scheme 2013	-	-	19.72	-	-	-	-	-	-	-	19.72
Final dividend on equity shares for the financial year 2018-19	-	-	-	-	-	(522.60)	-	-	-	-	(522.60)
Dividend distribution tax on above	-	-	-	-	-	(107.42)	-	-	-	-	(107.42)
Recognition of share based payment expense (net)	-	-	-	521.11	-	-	-	-	-	-	521.11
Deferred Tax on revaluation of property, plant and equipment	-	-	-	-	-	-	27.03	-	-	-	27.03
Purchase of treasury shares by the trust during the year (Refer Note 13.2)	-	-	-	-	(764.32)	-	-	-	-	-	(764.32)
Transfer from share options outstanding reserve on exercise/lapse	-	-	-	-	-	11.48	-	-	-	-	11.48
Balance as at 31 March 2020	**55.19**	**693.95**	**10,272.44**	**535.43**	**(764.32)**	**13,765.46**	**10,347.90**	**3,135.22**	**95.20**	**224.86**	**38,361.33**

The description, nature and purpose of each reserve within other equity are as follows:

(i) Capital reserve : The Group recognises profit or loss on purchase, sale, issue or cancellation of the Group's own equity instruments to Capital Reserve. The Group also recognises gains or losses on transaction with Non-Controlling Interest which do not result on loss of control over subsidiary in the capital reserve.

(ii) General reserve : Under the erstwhile Companies Act 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, 2013 (the "Companies Act"), the requirement to mandatory transfer a specified percentage of net profit to general reserve has been withdrawn. The amount credited to the reserve can be utilised by the Group in accordance with the provisions of the Companies Act. There is no movement in general reserve during the current and previous year.

(iii) Securities premium : This reserve represents the premium on issue of shares and can be utilised in accordance with the provisions of the Companies Act.

(iv) Share options outstanding reserve : This reserve relates to stock options granted by the Parent Company to eligible employees under Saregama Employee Stock Option Scheme 2013. This reserve is transferred to securities premium or retained earnings on exercise or cancellations of vested options.

(v) Treasury Shares : The Parent Company has formed Saregama Welfare Trust (SWT) for implementation of the Schemes that are notified or may be notified from time to time by the Parent Company under the plan, providing shared based benefits to its employees. SWT purchases shares of the Parent Company out of funds borrowed from the Parent Company. The Parent Company treats SWT as its extension and shares held by SWT are treated as treasury shares.

(vi) Retained earnings : This reserve represents the cumulative profits of the Group and effects of remeasurement of defined benefit obligations. This reserve can be utilised in accordance with the provisions of the Companies Act.

(vii) Revaluation surplus : This reserve represents surplus on revaluation of Property, plant and equipment (land) and will be transferred directly to retained earning when the asset is derecognised.

(viii) Equity instruments through OCI (FVOCI) : This reserve represents the cumulative gains (net of losses) arising on the revaluation of Equity Instruments at fair value though Other Comprehensive Income (OCI), net of amounts reclassified, if any, to Retained earnings when those instruments are disposed of.

(ix) Foreign currency translation reserve : Exchange difference arising from translation of foreign operations are recognised in other comprehensive income as described in accounting policies [Refer note 1(a)(vi)] and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss on disposal of the net investment.

The accompanying notes 1 to 44 are an integral part of these consolidated financial statements
As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Jayanta Mukhopadhyay
Partner
Membership No.: 055757
UDIN: 20055757AAAABE5687

Place: Kolkata
Date: 05 June 2020

B S R & Co. LLP
KOLKATA
Chartered Accountants

SAREGAMA INDIA LTD.

For and on behalf of the Board of Directors of
Saregama India Limited
CIN : L22213WB1946PLC014346

Sanjiv Goenka
Chairman
DIN: 00074796

Vikram Mehra
Managing Director
DIN: 03556680

Vineet Garg
Chief Financial Officer

Kamana Khetan
Company Secretary
ACS 35161

Place: Kolkata
Date: 05 June 2020

Place: Kolkata
Date: 05 June 2020

SAREGAMA INDIA LIMITED
Consolidated Statement of Cash Flow for the year ended 31 March 2020
(Amount in Rupees lakhs, except otherwise stated)

	Year ended 31 March 2020		Year ended 31 March 2019	
A. Cash Flow from Operating Activities				
Profit before tax		6,034.77		8,467.97
Adjustments for				
Depreciation and amortisation expense	463.76		332.51	
Allowance for expected credit loss	159.98		(415.67)	
Finance costs	671.47		656.03	
Liabilities/Provisions no longer required written back	(328.09)		(1,134.80)	
Provision for advances no longer required written back	-		(9.35)	
Interest income	(378.82)		(879.97)	
Share based payment expense	21.78		3.05	
Bad debts/advances written off	5.03		24.81	
Loss on disposal of property, plant and equipment	1.81		0.21	
Profit on sale of property, plant and equipment	(0.12)		(0.88)	
Profit on sale of Investment in Mutual Fund	(0.12)		(0.43)	
Exchange differences on translation of foreign operations	17.84		65.83	
Net gain on unrealised foreign currency transactions/ translation	(78.97)		-	
Dividend income from equity investments designated at FVOCI	(309.03)		(270.40)	
		246.52		(1,629.06)
Operating profit before Working Capital Changes		6,281.29		6,838.91
Changes in working capital				
Decrease/(Increase) in Other current assets, Loans, Other non-current assets	2,171.94		(5,198.56)	
Increase in Other financial liabilities, Provisions, Other current liabilities	1,042.26		2,154.69	
Increase in Trade payables	233.98		1,739.67	
Increase in Employee benefit obligations	105.50		84.37	
Decrease/(Increase) in Trade receivables	63.63		(3,238.96)	
Decrease/(Increase) in Inventories	266.00		(4,698.37)	
		3,883.31		(9,157.16)
Cash generated from / (used in) operations		10,164.60		(2,318.25)
Income taxes paid (net of refund)		(2,212.87)		(1,254.57)
Net cash generated from / (used in) Operating Activities (A)		7,951.73		(3,572.82)
B. Cash Flow from Investing Activities				
Purchase of property, plant and equipment and intangible assets	(827.80)		(1,210.45)	
Sale of property, plant and equipment	0.12		0.80	
Interest received	28.38		303.90	
Dividend income from equity investments designated at FVOCI	309.03		270.40	
Investment in Mutual funds	(150.00)		(200.00)	
Proceeds from sale of Investment in Mutual funds	150.12		200.43	
Fixed deposits placed with banks (with maturity more than 3 months)	(12.06)			
Net cash used in Investing Activities (B)		(502.21)		(634.92)
C. Cash Flow from Financing Activities				
(Repayment of) / Proceeds from Short term borrowings	(5,453.31)		4,789.24	
Proceeds form issue of Share capital	1.55		-	
Share premium received on issue of shares	19.72		-	
Purchase of Investment by Saregama Welfare Trust (Treasury Shares)	(764.32)		-	
Repayment of principal portion of lease liabilities	(78.91)		-	
Interest paid on lease liabilities	(9.02)		-	
Dividend paid	(522.60)		(515.30)	
Dividend distribution tax paid	(107.42)		(107.36)	
Interest paid on others	(332.29)		(380.81)	
Net cash (used in) / generated from Financing Activities (C)		(7,246.60)		3,785.77
Net increase / (decrease) in cash and cash equivalents (A+B+C)		202.92		(421.97)
Cash and Cash Equivalents at the beginning of the year (Refer Note 10.2)		500.21		921.71
Effect of exchange rate on translation of foreign currency cash and cash equivalents		1.57		0.47
Cash and Cash Equivalents at the end of the year (Refer Note 10.2)		704.70		500.21

Notes:

1 The above Cash Flow Statement has been prepared under the Indirect Method as set out in Ind AS - 7 "Statement of Cash Flows"

2 Previous years figures have been regrouped/reclassified to conform to current year's presentation

3 Reconciliation of liabilities from financing activities

	Balance as at 1 April 2019	Cash flows	Non-cash changes	Balance as at 31 March 2020
Borrowings	6,376.53	(5,453.31)	-	923.22
Total liabilities from financing activities	6,376.53	(5,453.31)	-	923.22

	Balance as at 1 April 2018	Cash flows	Non-cash changes	Balance as at 31 March 2019
Borrowings	1,587.29	4,789.24	-	6,376.53
Total liabilities from financing activities	1,587.29	4,789.24	-	6,376.53

The accompanying notes 1 to 44 are an integral part of these consolidated financial statements

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

...adhyay
Partner
Membership No.: 055757
UDIN: 20055757AAAABE5687

Place : Kolkata
Date : 05 June 2020

For and on behalf of the Board of Directors of
Saregama India Limited
CIN : L22213WB1946PLC014346

Sanjiv Goenka
Chairman
DIN: 00074796

Vikram Mehra
Managing Director
DIN-03556680

Vikas Garg
Chief Financial Officer

Kamana Khetan
Company Secretary
ACS: 35161

Place : Kolkata
Date : 05 June 2020

Place : Kolkata
Date : 05 June 2020

Background

Saregama India Limited ("the Company") is a Company limited by shares, incorporated and domiciled in India. Saregama India Limited (Parent Company) and its subsidiaries (Parent Company and its subsidiaries together referred as "Group") is primarily engaged in the business of manufacturing and sale of Music storage device viz. Carvaan, Music Card, Audio Compact Discs, Digital Versatile Discs and dealing with related music rights. The Group is also engaged in production and sale/telecast/broadcast of films/Tv Serials, pre-recorded programmes and dealing in film rights, printing of printed materials and marketing support services as detailed under segment information in Note 41. Equity shares of the Parent Company are listed on the Bombay Stock Exchange (BSE), the National Stock Exchange (NSE) and the Calcutta Stock Exchange (CSE). The registered office of the Parent Company is located in Kolkata, West Bengal, India.

The consolidated financials statements were approved and authorised for issue with the resolution of the Board of Directors on 05 June 2020.

1 Significant Accounting Policies

The significant accounting policies applied by the Group in the preparation of its consolidated financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these consolidated financial statements, unless otherwise indicated.

(a) Basis of the Preparation

(i) Compliance with Ind AS

These Consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the 'Act') [Companies (Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

(ii) Basis of measurement

(a) Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities (including derivative instruments) that is measured at fair value;
- Net Defined benefit (assets)/liability - Fair value of plan assets less present value of defined benefit obligations; and
- Share based payments.

(b) Functional and presentation currency

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the Parent Company operates ('the functional currency'). The consolidated financial statements are presented in Indian Rupee (Rs.), which is the Group's functional and presentation currency.

(iii) Current Versus Non-current Classification

All assets and liabilities have been classified as current or non current as per the Group's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013 and Ind AS 1 - Presentation of financial statement based on the nature of products / service and the time between the acquisition of assets for processing / providing the services and their realisation in cash and cash equivalents. The Group has ascertained its operating cycle as 12 months for the purpose of current, non current classification of assets and liabilities.

Assets

An asset is classified as current when it satisfies any of the following criteria:

(a) it is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle;
(b) it is held primarily for the purpose of being traded;
(c) it is expected to be realised within 12 months after the reporting date; or
(d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.
All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

(a) it is expected to be settled in the Group's normal operating cycle;
(b) it is held primarily for the purpose of being traded;
(c) it is due to be settled within 12 months after the reporting date; or
(d) the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.
All other liabilities are classified as non-current.
Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(iv) Principles of consolidation and equity accounting

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

Joint arrangements

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligation of each investors, rather than the legal structure of the joint arrangement. The Group has one joint venture, Saregama Regency Optimedia Private Limited (SROPL), which is under liquidation with effect from 19 September 2016. Accordingly, this entity has not been consolidated by the Group [Refer note 35(b)].

Joint ventures

Interest in joint ventures are accounted for using the equity method (see below), after initially being recognised at cost in the consolidated balance sheet.

Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its joint venture are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provide evidence of an impairment of the asset transferred. Accounting policies of equity accounted investee have been changed where necessary to ensure consistency with the policies adopted by the group.

(v) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The chief operating decision maker is responsible for allocating resources and assessing performance of the operating segments and has been identified as the Chief Financial Officer of the Group. Refer note 40 for segment information presented.

(vi) Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian Rupee (Rs.), which is Parent Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in profit or loss.

Foreign currency non-monetary items carried in terms of historical cost are reported using the exchange rate at the date of the transactions.

Group Companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into presentation currency as follows:

- Assets and liabilities are translated at the closing rate at the date of that balance sheet,
- Income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- All resulting exchange differences are recognised in other comprehensive income.

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KOLKATA
Chartered Accountants

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(b) **Revenue recognition**

Effective 1 April 2018, the Group has applied Ind AS 115, Revenue from Contracts with Customers, which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those products or services.

- Revenue from the sale of products is recognised at the point in time when control is transferred to the customer. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers. For sale of product on a bill-and hold basis, Group recognises revenue when it satisfies its performance obligation to transfer the control of a product to the customer. For a customer to have obtained control of a product in a bill-and-hold arrangement, Group has applied the guidance as set out in Ind AS 115.

- Revenue from Music licensing where the customer obtains a "right to use" is recognized at the time the license is made available to the customer. Revenue from licenses where the customer obtains a "right to access" is recognized over the access period.

- Revenue from the sale of television serial episodes is recognised upfront at the point in time when the episode is delivered to the customer.

- Revenue from sale of free commercial time (net of trade discount, as applicable) are recognised when the related advertisement or commercials appears before the public, i.e. on telecast.

- Revenue from theatrical distribution is recognised on exhibition of films. In case of distribution through theatres, revenue is recognised on the basis of box office reports received from various exhibitors. Contracted minimum guarantees are recognised on theatrical release.

- Revenue from Sale of films rights are recognised on assignment of such rights as per terms of the sale/licencing agreements.

- Revenue from current affairs and features magazine is recognised in the period in which the magazines are sold and are accounted for net of commission and discounts. Revenue from subscription to the Group's print publications is recognised as earned, prorata on a per issue basis over the subscription period.

The billing schedules agreed with customers include periodic performance based payments and / or milestone based progress payments. Invoices are payable within contractually agreed credit period.

Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues.
Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Use of significant judgements in revenue recognition :
- The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as how customer consumes benefits as services are rendered, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc. Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, price concessions and incentives.

Interest income
Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable.

Dividend income
Dividend income from investments is recognised when the shareholder's rights to receive payment have been established.

Rental income
Rental income from investment properties and subletting of properties is recognised on a straight line basis over the term of the relevant leases.

(c) **Property, Plant and Equipment - (PPE)**

All items of property, plant and equipment other than freehold land are stated at historical cost i.e. cost of acquisition/construction or at deemed cost as on the date of transition to Ind AS less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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 Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to statement of profit or loss during the reporting period in which they are incurred.

Revaluation of Land is made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet date. When the fair value differs materially from its carrying amount, the carrying amount is adjusted to the revalued amount. The fair value is determined based on appraisal undertaken by a professionally qualified valuer.

<u>Depreciation method, estimated useful lives and residual values</u>
Depreciation is calculated on a pro-rata basis using the straight-line method to allocate their cost, net of their estimated residual values, over the estimated useful lives of the asset as prescribed under Schedule II to the Companies Act, 2013.

The useful lives, residual values and the method of depreciation of property, plant and equipment are reviewed, and adjusted if appropriate, at the end of each reporting period.
An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amounts.
Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in profit or loss within 'Other Income'/'Other Expenses'.
Advances paid towards the cost of property, plant and equipment outstanding at each balance sheet date is classified as 'Capital advances' under other non- current assets.
<u>Transition to Ind AS</u>
On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

(d) **Investment properties**

Properties that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that the future economic benefits associated with the expenditure will flow to the Group and the cost of item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

Investment properties are depreciated using the straight-line method over their estimated useful lives of the assets as prescribed under Schedule II to the Companies Act, 2013.
<u>Transition to Ind AS</u>
On transition to Ind AS, the Group has elected to continue with the carrying value of all of its investment properties recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of investment properties.

(e) **Intangible assets**

Intangible assets has a finite useful life and are stated at cost less accumulated amortisation and accumulated impairment losses, if any.

(i) Music copyrights
Outright acquisition of music copyrights wherein future economic benefits are established are capitalised. They have finite useful lives and are subsequently carried at cost less accumulated amortisation and impairment losses.
(ii) Computer software
Software for internal use, which is primarily acquired from third-party vendors is capitalised. Subsequent costs associated with maintaining such software are recognised as expense as incurred. Cost of software includes license fees and cost of implementation/system integration services, where applicable.

<u>Amortisation method and year</u>
The Group amortises intangible assets with a finite useful lives using the straight-line method over the following periods:

Music Copyrights are amortised on straight line basis over a period of 1-10 years. The Group reviews the expected future revenue potential at the end of each accounting period and recognises impairment loss, where required.

Softwares are amortised on a straight line basis over a period of three years from the date of capitalization.

Advances paid towards the cost of intangible assets outstanding at each balance sheet date is classified as 'Capital advances' under other non- current assets.
<u>Transition to Ind AS</u>
On transition to Ind AS, the Group has elected to continue with the carrying value of all of its intangible assets recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

(f) **Impairment of non-financial assets**
Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units).

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(g) **Leases**

<u>The Group as a lessee</u>

The Group's lease asset classes primarily consist of leases for buildings and vehicles. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii)the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e.the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

The Group has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

<u>The Group as a lessor</u>

At the inception of the lease the Group classifies each of its leases as either an operating lease or a finance lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. The Group recognises lease payments received under operating leases as income on a straight- line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

<u>Transition to Ind AS 116</u>

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

Under the erstwhile standard Ind AS 17, operating lease payments as per terms of the agreement, were recognised as an expense in the Statement of Profit and Loss on a straight line basis except where another systematic basis was more representative of the time pattern in which economic benefits from the leased asset were consumed.

Effective 01 April 2019, the Group adopted Ind AS116 'Leases" and applied the standard to lease contracts existing on 01 April 2019 using the modified retrospective method on the date of initial application. Consequently, the lease liabilities is recognized at the present value of lease payment discounted at the weighted average incremental borrowing rate and same amount is recognized for ROU assets. Comparatives as at and for the year ended 31 March 2019 have not been restated.

The following is the summary of practical expedients elected on initial application:

•Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
•Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term and low value leases on the date of initial application.
•Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
•Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

Ind AS 116 will result in an increase in cash in flows from operating activities and an increase in cash out flows from financing activities on account of lease payments.
The weighted average incremental borrowing rate applied to lease liabilities as at 01 April 2019 is 9.54%. Refer Note 4 for impact of Ind AS 116.

(h) **Inventories**

Inventories are valued at lower of cost and net realisable value. The cost is determined on weighted average basis, and includes, where applicable, appropriate share of overheads. Provision is made for obsolete / slow moving / defective stocks, where necessary. The costs of purchase of inventories comprise the purchase price, import duties and other taxes (other than those subsequently recoverable by the entity from the taxing authorities), and transport, handling and other costs directly attributable to the acquisition of finished goods.

Television serials under production are included under 'Work-in-Progress'. Cost comprises acquisition / direct production cost. Untelecasted television serials are stated at lower of cost and net expected revenue and included under 'Finished Goods'.

Digital Films under production are included under 'Work-in-Progress'. Expenses of under production films incurred till the films are ready for release are inventorised. Cost comprises acquisition / direct production cost. 10% of Cost of digital films is recognised as expense in Statement of Profit and Loss on the date of theatrical release of the Film, balance is charged of on licencing of digital rights.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(i) **Investments (other than investments in subsidiaries) and other financial instruments**

<u>(i) Classification</u>

The Group classifies its financial assets in the following measurement categories:
- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss);
- those to be measured at amortised cost; and

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. In accordance with Ind AS 101, the Group had irrevocably designated its investment in equity instruments as FVOCI on the date of transition to Ind AS.

<u>(ii) Measurement</u>

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Equity Instruments : The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Changes in the fair value of financial assets at fair value through profit or loss are recognised in the Statement of Profit and Loss.

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method.

<u>(iii) Impairment of financial assets</u>

The Group assesses on a forward looking basis the expected credit losses associated with its assets which are not fair valued through profit or loss. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 33(A) details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables only, the Group applies the simplified approach as per Ind AS 109,'Financial Instruments', which requires expected lifetime losses to be recognised from initial recognition of the receivables.

<u>(iv) Derecognition of financial assets</u>

A financial asset is derecognised only when
- the Group has transferred the rights to receive cash flows from the financial asset; or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

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(v) Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL.

(vi) Financial liabilities through fair value through profit or loss (FVTPL)

A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

(vii) Financial liabilities at amortised cost

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit and Loss.

Any gain or loss on derecognition is also recognised in Statement of Profit and Loss.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximates fair value due to the short maturity of these instruments.

(viii) Fair value of financial instruments

In determining the fair value of financial instruments, the Group uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis and available quoted market prices. All methods of assessing fair value result in general approximation of value, and such value may never actually be realised.

(j) **Offsetting financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

(k) **Trade receivables**

Trade receivables are amounts due from customers for goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

(l) **Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

(m) **Trade payables**

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(n) **Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(o) **Borrowing costs**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred, unless they are capitalised.

(p) **Foreign currency transactions and translation**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. At the year-end, monetary assets and liabilities denominated in foreign currencies are restated at the year - end exchange rates. The exchange differences arising from settlement of foreign currency transactions and from the year-end restatement are recognised in profit and loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Foreign currency non-monetary items carried in terms of historical cost are reported using the exchange rate at the date of the transactions.

(q) **Employee benefits expense**

(i) Short-term employee benefits

Liabilities for short-term employee benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as 'Employee Benefits Payable' within 'Other Current Liabilities' in the Balance Sheet.

(ii) Other long-term employee benefits

The liabilities for leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured annually by actuaries as the present value of expected future benefits in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

(iii) Post-employment benefits

Defined benefit plans

The liability or asset recognised in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in 'Employee Benefits Expense' in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in Other Comprehensive Income. These are included in 'Retained Earnings' in the Statement of Changes in Equity in the balance sheet.

Defined contribution plans

The Group has certain defined contribution plans viz. provident fund and superannuation fund. Contributions for provident fund are made at specified percentage of the covered employee's qualifying salary to a government administered fund. Contribution for superannuation fund are made yearly based on a specified percentage of each covered employee's salary to a Trust set up by the Group. Contributions under Defined Contribution Plans are recognised as expenses for the period in which the employee has rendered the service.

(iv) Share-based payments

Share-based compensation benefits are provided to employees via Saregama Employee Stock Options Scheme 2013, Stock Appreciation Rights Scheme 2014.and Stock Appreciation Rights Scheme 2018.

Employee Options

The fair value of the options granted under the Saregama Employee Stock Option Scheme 2013 is recognised as an employee benefits expense in the statement of profit and loss with a corresponding adjustments to equity. The fair value at grant date is determined using the Black Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and risk free interest rate for the term of the option. The total amount to be expensed is determined by reference to the fair value of the options granted:

- Including any market performance conditions (e.g., the entity's share price);

- excluding the impact of any services and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining and employee of the entity over a specified time period); and

- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holdings shares for a specified period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in the statement of profit or loss, with a corresponding adjustment to equity.

Share appreciation rights

Liabilities for the Parent Company's Share Appreciation Rights (SAR), granted pursuant to Parent Company's share appreciaton rights schemes, is measured initially and at the end of each reporting period until settled, at fair value of the SAR, by applying option pricing model, and is recognised as employee benefit expense over the relevant service period. The liabilities are presented as employee benefits obligations in the balance sheet.

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(r) **Royalty**

Minimum Guarantee Royalty is recognised as expense within the license period or ten years, whichever is earlier. Royalty on sales, other than physical sales, is provided on the basis of management's best estimate of the expenditure required to settle the obligation. Other royalty payments are charged at agreed rates on related sales.

(s) **Income tax**

The income tax expense for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax credits and to unused tax losses, as applicable.

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, if any, only if it is probable that future taxable amounts will be available to utilise those temporary differences, tax credits and losses.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax are recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity, if any. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(t) **Provisions and contingencies**

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

A disclosure for contingent liabilities 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 Group 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 the amount cannot be made.

(u) **Earnings per share**

(i) Basic Earnings per share

Basic earnings per share is calculated by dividing:

the profit attributable to owners of the Group

by the weighted average number of equity shares outstanding during the financial year excluding treasury shares

(ii) Diluted Earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(v) **Rounding of amounts**

All amounts disclosed in the Consolidated Financial Statements and notes have been rounded off to the nearest lakhs (with two places of decimal) as per the requirement of Schedule III, unless otherwise stated.

(w) **Recent accounting pronouncements- Standard issued but not yet effective**

Mininstry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable for the Group from 1 April 2020.

2 **Critical estimates and judgements**

The preparation of consolidated financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these consolidated financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed at each Balance Sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

This Note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the consolidated financial statements.

The areas involving critical estimates or judgements are:

- **<u>Employee benefits (estimation of defined benefit obligations) - Note 1(q) and Note 30</u>**

Post-employment benefits represent obligations that will be settled in future and require assumptions to estimate benefit obligations. Post-employment benefit accounting is intended to reflect the recognition of benefit costs over the employees' approximate service period, based on the terms of the plans and the investment and funding decisions made. The accounting requires the Group to make assumptions regarding variables such as discount rate and salary growth rate. Changes in these key assumptions can have a significant impact on the defined benefit obligations.

- **<u>Impairment of trade receivables — Note 1(l)(iii) and Note 33</u>**

For impairment of trade receivable, Group applies the simplified approach permitted by Ind AS 109,'Financial Instruments', which requires expected lifetime losses to be recognised from initial recognition of the receivables.

- **<u>Estimation of expected useful lives of property, plant and equipment - Note 1(c) and Note 3</u>**

Management reviews its estimate of useful lives of property, plant and equipment at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of property, plant and equipment.

- **<u>Contingencies - Note 1(t) and Note 38</u>**

Legal proceedings covering a range of matters are pending against the Group. Due to the uncertainty inherent in such matters, it is often difficult to predict the final outcome. The cases and claims against the Group often raise factual and legal issues that are subject to uncertainties and complexities, including the facts and circumstances of each particular case/claim, the jurisdiction and the differences in applicable law. The Group consults with legal counsel and other experts on matters related to specific litigations where considered necessary. The Group accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated. In the event an adverse outcome is possible or an estimate is not determinable, the matter is disclosed.

- **<u>Valuation of deferred tax assets - Note 1(s) and Note 15</u>**

Deferred income tax expense is calculated based on the differences between the carrying value of assets and liabilities for financial reporting purposes and their respective tax bases that are considered temporary in nature. Valuation of deferred tax assets is dependent on management's assessment of future recoverability of the deferred tax benefit. Expected recoverability may result from expected taxable income in the future, planned transactions or planned optimising measures. Economic conditions may change and lead to a different conclusion regarding recoverability.

- **<u>Fair value measurements — Notes 1(l)(viii) and Note 32</u>**

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair values are measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

Estimation of uncertainties relating to the global health pandemic from COVID-19:

In view of pandemic relating to COVID - 19, the Group has considered internal and external information available upto the date of approval of these consolidated financial statements and has performed analysis based on current estimates in assessing the recoverability of its assets including trade receivables, inventories, investments, other financial and non-financial assets, for possible impact on these financial statements. The Group has also assessed the impact of this whole situation on its capital and financial resources, profitability, liquidity position, etc. On the basis of its present assessment and current indicators of future economic conditions, the Group expects to recover the carrying amounts of these assets and does not anticipate any material impact on these consolidated financial statements. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration. The impact of the global health pandemic may be different from that estimated as at the date of approval of these consolidated financial statements and the Group will continue to closely monitor any material changes to future economic conditions.

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SAREGAMA INDIA LTD.

SAREGAMA INDIA LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2020 (continued)

(Amount in Rupees lakhs, except otherwise stated)

3 Property, plant and equipment (PPE)

Description	Gross carrying amount				Accumulated depreciation				Carrying amount (net)	
	Cost as at 1 April 2019	Additions/ adjustments	Deductions/ adjustments	Cost as at 31 March 2020	As at 1 April 2019	Depreciation for the year	Deductions/ adjustments	As at 31 March 2020	As at 31 March 2020	As at 31 March 2019
Land - Freehold	20,007.76	-	-	20,007.76	-	-	-	-	20,007.76	20,007.76
Buildings - Freehold	70.59	-	-	70.59	23.69	3.97	-	27.66	42.93	46.90
Leasehold buildings	37.71	-	-	37.71	2.40	0.80	-	3.20	34.51	35.31
Plant and equipment	3.14	-	-	3.14	2.42	0.72	-	3.14	-	0.72
Furniture and fixtures	445.41	25.26	-	470.67	203.90	50.15	-	254.05	216.62	241.51
Office equipment	656.99	114.39	5.10	766.28	418.67	123.42	3.29	538.80	227.48	238.32
Vehicles	9.56	-	-	9.56	9.56	-	-	9.56	-	-
Total	21,231.16	139.65	5.10	21,365.71	660.64	179.06	3.29	836.41	20,529.30	20,570.52

Description	Gross carrying amount				Accumulated depreciation				Carrying amount (net)
	Cost as at 1 April 2018	Additions/ adjustments	Deductions/ adjustments	Cost as at 31 March 2019	As at 1 April 2018	Depreciation for the year	Deductions/ adjustments	As at 31 March 2019	As at 31 March 2019
Land - Freehold	18,207.76	1,800.00	-	20,007.76	-	-	-	-	20,007.76
Buildings - Freehold	70.59	-	-	70.59	19.72	3.97	-	23.69	46.90
Leasehold buildings	37.71	-	-	37.71	1.60	0.80	-	2.40	35.31
Plant and equipment	3.14	-	-	3.14	1.28	1.14	-	2.42	0.72
Furniture and fixtures	427.24	18.17	-	445.41	145.84	58.06	-	203.90	241.51
Office equipment	555.68	101.67	0.36	656.99	297.32	121.58	0.23	418.67	238.32
Vehicles	10.05	-	0.49	9.56	7.90	2.15	0.49	9.56	-
Total	19,312.17	1,919.84	0.85	21,231.16	473.66	187.70	0.72	660.64	20,570.52

3.1 The Group has chosen the revaluation model for land and cost model for other items of PPE as its accounting policy [Refer Note 1(c)]. Accordingly, Parent Company's land was revalued on 1 April 2016 by registered valuer using market approach. Resultant incremental value amounting to Rs. 11,640.29 lakhs were added to the book value of related land with corresponding credit to OCI and other equity. The carrying amount of land that would have been recognised had it been carried under the cost model is Rs.6,567.47 Lakhs.

3.2 Title deeds of the immovable properties as set out in the above table are in the name of the Parent Company.

3.3 The Parent Company has borrowings from banks which carry charge over certain of the above PPE (Refer Note 16.1 for details).

3.4 Aggregate amount of depreciation has been included under 'Depreciation and amortisation expense' in the Statement of Profit and Loss (Refer Note 27).

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SAREGAMA INDIA LTD.

4 The Group as a Lessee

Following are the changes in the carrying value of right-of- use assets for the year ended 31 March 2020:

Particulars	Leasehold premises and vehicles
Balance as of 1 April 2019	-
Reclassified on account of adoption of Ind AS 116 as at 1 April 2019	117.97
Additions	7.97
Deletion	-
Depreciation	81.62
Balance as of 31 March 2020	44.32

Aggregate amount of depreciation has been included under 'Depreciation and amortisation expense' in the Statement of Profit and Loss (Refer Note 27).

The following is the break-up of current and non-current lease liabilities as at 31 March 2020:

Particulars	As at 31 March 2020
Current lease liabilities	47.03
Non-current lease liabilities	-
Total	47.03

The following is the movement in lease liabilities during the year ended 31 March 2020:

Particulars	Leasehold premises and vehicles
Balance as of 1 April 2019	-
Reclassified on account of adoption of Ind AS 116 as at 1 April 2019	117.97
Additions	7.97
Finance cost accrued during the year	9.02
Deletion	-
Payment of lease liabilities	87.93
Balance as of 31 March 2020	47.03

The table below provides details regarding the contractual maturities of lease liabilities as at 31 March 2020 on an undiscounted basis:

Particulars	As at 31 March 2020
Less than one year	47.03
One to five years	-
More than five years	-
Total	47.03

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The Group has has incurred expenses relating to short term leases and leases of low value assets for certain accommodation. Terms of such lease include option for renewal on mutually agreed terms. There are no restrictions imposed by lease arrangements and there are no purchase options or sub leases or contingent rents. Operating lease rentals for the year recognised in Statement of Profit and Loss amounts to **Rs.425.59 Lakhs** (previous year - Rs.422.14 Lakhs).

The total cash outflow for leases is Rs.513.52 Lakhs for the year ended 31 March 2020, including cash outflow for short term leases and leases of low value assets.

The Group as a Lessor

Rent income includes payments of **Rs.23.58 Lakhs** (previous year - Rs.22.79 Lakhs) for the year relating to agreements entered into by the Group. There are no restrictions imposed by lease arrangements and there are no contingent rents recognised as income for the period. These lease arrangements inter alia include escalation clause/option for renewal.

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SAREGAMA INDIA LTD.

(Amount in Rupees lakhs, except otherwise stated)

5 Investment properties

	As at 31 March 2020	As at 31 March 2019
Gross carrying amount		
At the beginning of the year	**252.71**	252.71
Additions during the year	-	-
Deletions during the year	-	-
At the end of the year	**252.71**	252.71
Accumulated depreciation		
At the beginning of the year	**16.59**	11.06
Depreciation charge during the year	**5.56**	5.53
At the end of the year	**22.15**	16.59
Carrying amount (net)	**230.56**	236.12

(i) Amounts recognised in statement of profit or loss for investment properties

	As at 31 March 2020	Year ended 31 March 2019
Rental income (Refer Note 21)	**23.58**	22.79
Profit from investment properties before depreciation	**23.58**	22.79
Depreciation (Refer Note 27)	**5.56**	5.53
Profit from investment properties	**18.02**	17.26

(ii) Fair value

	As at 31 March 2020	As at 31 March 2019
Investment properties	**1,874.01**	1,858.88

Estimation of fair value

The Parent Company obtains independent valuations for its investment properties at least annually. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the Parent Company consider information from a variety of sources including:

- current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences
- discounted cash flow projections based on reliable estimates of future cash flows
- capitalised income projections based upon a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence

The fair values of investment properties have been determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

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SAREGAMA INDIA LTD.

SAREGAMA INDIA LIMITED
Notes to the consolidated financial statements for the year ended 31 March 2020 (continued)
(Amount in Rupees lakhs, except otherwise stated)

6 Intangible assets

Description	Gross carrying amount				Accumulated amortisation and impairment							Carrying amount (net)	
	Cost as at 1 April 2019	Additions/ adjustments	Deductions/ adjustments	Cost as at 31 March 2020	Amortisation as at 1 April 2019	Impairment as at 1 April 2019	Amortisation for the year	Impairment/ (Reversal) for the year	Deductions/ adjustments	Amortisation as at 31 March 2020	Impairment as at 31 March 2020	As at 31 March 2020	As at 31 March 2019
Copyrights-Music	1,128.88	594.99	-	1,723.87	447.99	-	180.00	-	-	627.99	-	1,095.88	680.89
Computer Software	135.22	6.04	-	141.26	103.26	-	17.52	-	-	120.78	-	20.48	31.96
Total	1,264.10	601.03	-	1,865.13	551.25	-	197.52	-	-	748.77	-	1,116.36	712.85

Description	Gross carrying amount				Accumulated amortisation and impairment							Carrying amount (net)
	Cost as at 1 April 2018	Additions/ adjustments	Deductions/ adjustments	Cost as at 31 March 2019	Amortisation as at 1 April 2018	Impairment as at 1 April 2018	Amortisation for the year	Impairment/ (Reversal) for the year	Deductions/ adjustments	Amortisation as at 31 March 2019	Impairment as at 31 March 2019	As at 31 March 2019
Copyrights-Music	935.23	193.65	-	1,128.88	285.83	45.83	162.16	(45.83)	-	447.99	-	680.89
Computer Software	129.88	5.34	-	135.22	80.31	-	22.95	-	-	103.26	-	31.96
Total	1,065.11	198.99	-	1,264.10	366.14	45.83	185.11	(45.83)	-	551.25	-	712.85

6.1 The amortisation expense of intangible assets have been included under 'Depreciation and amortisation expense' in the Statement of Profit and Loss (Refer Note 27).

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(Amount in Rupees lakhs, except otherwise stated)

7 **Financial assets (non-current)**

7.1 Investments

	Face value of each unit as at 31 March 2020	Face value of each unit as at 31 March 2019	Number of shares as at 31 March 2020	Number of shares as at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Investments carried at fair value through other comprehensive income						
Quoted - fully paid equity shares in other companies						
CESC Limited	Rs.10	Rs.10	15,44,988	15,44,988	6,315.20	11,288.45
Phillips Carbon Black Limited	Rs.2	Rs.2	500	500	0.31	0.88
Harrisons Malayalam Limited	Rs.10	Rs.10	100	100	0.05	0.07
CFL Capital Financial Services Limited	Rs.10	Rs.10	100	100	0.02	0.02
STEL Holdings Limited	Rs.10	Rs.10	100	100	0.04	0.10
CESC Ventures Limited (formerly RP SG-Business Process Services Limited)	Rs.10	Rs.10	3,08,997	3,08,997	362.07	1,921.81
Spencers Retail Limited (formerly RP-SG Retail Limited)	Rs.5	Rs.5	9,26,992	9,26,992	687.92	1,483.19
Unquoted - fully paid equity shares in other companies						
Spencer and Company Limited	Rs.9	Rs.9	200	200	0.58	0.48
Woodlands Multispeciality Hospital Limited	Rs.10	Rs.10	2,250	2,250	5.60	5.60
Timbre Media Private Limited	Rs.10	Rs.10	2,30,000	2,30,000	172.36	133.45
Total investments					7,544.15	14,834.05
Aggregate carrying value of quoted investments and market value thereof					7,365.61	14,694.52
Aggregate carrying value of unquoted investments					178.54	139.53
Aggregate provision for impairment in the value of investments					-	

Equity shares designated at fair value though other comprehensive income (FVOCI)

	Fair value as at 31 March 2020	Dividend income recognised during 2019-20	Fair value as at 31 March 2019	Dividend income recognised during 2018-19
Investment in CESC Limited	6,315.20	309.00	11,288.45	270.38
Investment in Phillips Carbon Black Limited	0.31	0.03	0.88	0.02
Investment in Harrisons Malayalam Limited	0.05	-	0.07	-
Investment in CFL Capital Financial Services Limited	0.02	-	0.02	-
Investment in CESC Ventures Limited (formerly RP SG-Business Process Services Limited)	362.07	-	1,921.81	-
Investment in Spencers Retail Limited (formerly RP-SG Retail Limited)	687.92	-	1,483.19	-
Investment in STEL Holdings Limited	0.04	-	0.10	-
Investment in Spencer and Company Limited	0.58	-	0.48	-
Investment in Woodlands Multispeciality Hospital Limited	5.60	-	5.60	-
Investment in Timbre Media Private Limited	172.36	-	133.45	-
Total	7,544.15	309.03	14,834.05	270.40

Note: Pursuant to the Composite Scheme of Arrangement involving CESC Limited (CESC) and nine other CESC subsidiaries as approved by the Hon'ble National Company Law Tribunal, Kolkata Bench, the Parent Company and one of its subsidiary is entitled to receive 5 equity shares of Rs.10 each of the Haldia Energy Limited for every 10 equity shares held in CESC Limited, allotment of the same is pending as on 31 March 2020. Hence, pending such allotment no adjustment has been made in the financial statements.

7.2 **Loans and deposits**

	As at 31 March 2020	As at 31 March 2019
Security deposits		
Unsecured, considered good	472.47	492.22
Total loans and deposits	472.47	492.22

7.3 **Other financial assets**

	As at 31 March 2020	As at 31 March 2019
Bank deposits with maturity more than 12 months*		
Unsecured, considered good	0.25	0.25
Total other financial assets	0.25	0.25

* Lying with Government authority Rs.0.25 Lakh (31 March 2019 - Rs.0.25 Lakhs).

8 **Other non-current assets**

	As at 31 March 2020	As at 31 March 2019
Capital advances		
Unsecured, considered good	163.62	76.50
Unsecured, considered doubtful	36.38	36.38
Less: Provision for doubtful advances	(36.38)	(36.38)
	163.62	76.50
Prepaid expenses		
Unsecured, considered good	72.08	84.48
Total other non-current assets	235.70	160.98

9 **Inventories [Refer Note:1(h)]**

	As at 31 March 2020	As at 31 March 2019
Raw materials	14.96	25.00
Finished goods		
Untelecasted television serials/digital films	264.32	479.37
Carvaan/music card and others @	7,248.70	7,514.10
Work-in-progress		
Digital films under production	1,835.59	1,611.10
Total inventories	9,363.57	9,629.57

@ Includes good in transit worth Rs.82.40 Lakhs (31 March 2019 - Rs. 460.89 Lakhs).

10 **Financial assets (current)**

10.1 **Trade receivables**

	As at 31 March 2020	As at 31 March 2019
Trade receivables		
Unsecured, considered good	11,636.05	11,628.19
Credit impaired	353.19	353.19
Less: Allowance for expected credit loss	(1,143.40)	(1,006.83)
Total trade receivables	10,845.84	10,974.55

Notes:

(a) No trade receivables are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

(b) Information about the Group's exposure to credit and currency risks related to trade receivables are disclosed in Note 33.

10.2 **Cash and cash equivalents**

	As at 31 March 2020	As at 31 March 2019
Cash on hand	3.15	3.55
Bank balances:		
- Current accounts	701.55	496.66
Total cash and cash equivalents	704.70	500.21

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10.3 Other bank balances

	As at 31 March 2020	As at 31 March 2019
Earmarked balances with bank		
Deposits (with original maturity more than 3 months but remaining maturity period less than 12 months) #	174.42	162.36
Unpaid dividend accounts @	20.19	16.22
Total other bank balances	194.61	178.58

Includes Rs.174.42 Lakhs deposited with Delhi Court (31 March 2019 - Rs.162.36 Lakhs).

@ Earmarked for payment of unclaimed dividend.

10.4 Loans

	As at 31 March 2020	As at 31 March 2019
Loans to related parties (Refer Note 35)		
Unsecured, considered good	3.63	-
Loan to employees		
Unsecured, considered good	27.48	16.34
Total loans	31.11	16.34

10.5 Other financial assets

	As at 31 March 2020	As at 31 March 2019
Interest accrued on deposits with banks	7.24	5.17
Total other financial assets	7.24	5.17

11 Current tax assets (net)

	As at 31 March 2020	As at 31 March 2019
Advance payment of Income Tax and Tax Deducted at Source [net of Provision for Taxation Rs.8,966.84 Lakhs (31 March 2019 - Rs 6,952.88 Lakhs)]	3,689.46	3,490.55
Total current tax assets (net)	3,689.46	3,490.55

12 Other current assets
(Unsecured,considered good unless otherwise stated)

	As at 31 March 2020	As at 31 March 2019
Minimum guarantee royalty advances	1,726.16	1,918.67
Royalty advances		
Unsecured, considered good	54.70	120.16
Unsecured, considered doubtful	472.96	447.66
Less: Provision for doubtful advances	(472.96)	(447.66)
	54.70	120.16
Advance to artist against TV projects / films and events		
Unsecured, considered good	766.28	915.43
Unsecured, considered doubtful	324.98	324.98
Less: Provision for doubtful advances	(324.98)	(324.98)
	766.28	915.43
Prepaid expenses		
Unsecured, considered good	709.78	389.05
Unsecured, considered doubtful	44.06	44.06
Less: Provision for doubtful advances	(44.06)	(44.06)
	709.78	389.05
Gratuity (Refer Note 30)	-	9.70
Other receivables	229.87	3,218.72
Advance against supply of goods	699.55	535.44
Balances with government authorities	2,759.12	1,950.97
Advance payment of fringe benefit tax [net of Provision Rs.147.87 Lakhs (31 March 2019 - Rs.147.87 Lakhs)]	20.08	20.08
Total other current assets	6,965.54	9,078.22

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(Amount in Rupees lakhs, except otherwise stated)

13 Equity share capital and other equity

13.1 Equity share capital

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number of shares	Amount	Number of shares	Amount
Authorised Ordinary shares of Rs.10 each	2,50,00,000	2,500.00	2,50,00,000	2,500.00
Issued Ordinary shares of Rs.10 each	1,74,26,012	1,742.60	1,74,10,492	1,741.05
Subscribed and fully paid up Ordinary shares of Rs.10 each	1,74,26,012	1,742.60	1,74,10,492	1,741.05

Reconciliation of number of ordinary shares outstanding

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number of shares	Amount	Number of shares	Amount
As at the beginning of the year	1,74,10,492	1,741.05	1,74,10,492	1,741.05
Add: Issue of shares on exercise of Options	15,520	1.55	-	-
As at the end of the year	1,74,26,012	1,742.60	1,74,10,492	1,741.05

Rights issue

Out of 53,38,628 equity shares issued for cash at a premium of Rs.35/- (issue price - Rs.45/-) pursuant to the Rights Issue in 2005, allotment of 5,290 (31 March 2019 - 5,290) equity shares (relating to cases under litigation/ pending clearence from the concerned authorities) are kept in abeyance as on 31 March 2020.

Rights, preferences and restrictions attached to shares

The Parent Company has only one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting except in case of interim dividend.

In the event of liquidation of the Company, the holder of equity shares are eligible to receive remaining assets of the Company in proportion to their shareholding.

Shares held by ultimate holding company

Name of the shareholder	As at 31 March 2020		As at 31 March 2019	
	Number of shares held	Amount	Number of shares held	Amount
Composure Services Private Limited	1,02,91,599	1029.16	1,02,91,599	1029.16

Details of shares held by shareholders holding more than 5 % of the aggregate shares in the Parent Company

Name of the shareholder	As at 31 March 2020		As at 31 March 2019	
	Number of shares held	Holding percentage	Number of shares held	Holding percentage
Composure Services Private Limited	1,02,91,599	59.06%	1,02,91,599	59.11%

Stock option schemes and stock appreciation rights

Information relating to Employee Option Plan, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in Note 31.

13.2 Other equity

Particulars	As at 31 March 2020	As at 31 March 2019
Capital reserve	55.19	55.19
General reserve	693.95	693.95
Securities premium	10,272.44	10,252.72
Share option outstanding reserve	535.43	14.32
Treasury Shares	(764.32)	-
Retained earnings	13,765.46	10,064.89
Revaluation reserve	10,347.90	10,320.87
Equity instrument through OCI	3,135.22	9,580.53
Foreign currency translation reserve	95.20	84.78
Total other equity	38,136.47	41,067.25

(i) Capital reserve : The Group recognises profit or loss on purchase, sale, issue or cancellation of the Group's own equity instruments to Capital Reserve. The Group also recognises gains or losses on transaction with Non-Controlling Interest which do not result on loss of control over subsidiary in the capital reserve.

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	55.19	55.19
Balance at the end of the year	55.19	55.19

(ii) General reserve : Under the erstwhile Companies Act 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, 2013 (the "Companies Act"), the requirement to mandatory transfer a specified percentage of net profit to general reserve has been withdrawn. The amount credited to the reserve can be utilised by the Company in accordance with the provisions of the Companies Act. There is no movement in general reserve during the current and previous year.

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	693.95	693.95
Balance at the end of the year	693.95	693.95

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SAREGAMA INDIA LTD

(Amount in Rupees lakhs, except otherwise stated)

13.2 Other equity (continued)

(iii) Securities premium : This reserve represents the premium on issue of shares and can be utilised in accordance with the provisions of the Companies Act.

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	10,252.72	10,252.72
Add: 15,520 shares issued on exercise of Options (Refer Note 31)	19.72	-
Balance at the end of the year	**10,272.44**	10,252.72

(iv) Share options outstanding reserve : This reserve relates to stock options granted by the Parent Company to eligible employees under Saregama Employee Stock Option Scheme 2013. This reserve is transferred to securities premium or retained earnings on exercise or cancellations of vested options.

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	14.32	14.37
Employee stock option expense (Refer Note 25 and 31)	532.59	3.05
Reversal on account of exercise/forfeiture of right	(11.48)	(3.10)
Balance at the end of the year	**535.43**	14.32

(v) Treasury Shares : The Parent Company has formed Saregama Welfare Trust (SWT) for implementation of the Schemes that are notified or may be notified from time to time by the Parent Company under the plan, providing shared based benefits to its employees. SWT purchases shares of the Parent Company out of funds borrowed from the Parent Company. The Parent Company treats SWT as its extension and shares held by SWT are treated as treasury shares.

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	-	-
Add: Purchase of treasury shares by the trust during the year	(764.32)	-
Balance at the end of the year	**(764.32)**	-

(vi) Retained earnings : This reserve represents the cumulative profits of the Group and effects of remeasurement of defined benefit obligations. This reserve can be utilised in accordance with the provisions of the Companies Act.

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	10,064.89	5,256.15
Net profit for the year	4,393.84	5,411.34
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment benefit obligation, net of tax	(74.73)	23.97
Dividends paid	(522.60)	(522.31)
Dividends distribution tax paid	(107.42)	(107.36)
Transfer from share options outstanding reserve on exercise/lapse	11.48	3.10
Balance at the end of the year	**13,765.46**	10,064.89

(vii) Revaluation surplus : This reserve represents surplus on revaluation of Property, plant and equipment (land) and will be transferred directly to retained earning when the asset is derecognised.

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	10,320.87	10,318.20
Deferred tax on revaluation of PPE	27.03	2.67
Balance at the end of the year	**10,347.90**	10,320.87

(viii) Equity instruments through OCI (FVOCI) : This reserve represents the cumulative gains (net of losses) arising on the revaluation of Equity Instruments at fair value through Other Comprehensive Income (OCI), net of amounts reclassified, if any, to Retained earnings when those instruments are disposed of.

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	9,580.53	9,806.85
Changes in fair value of FVOCI equity instruments during the year	(7,289.90)	(259.45)
Deferred tax on above	844.59	33.13
Balance at the end of the year	**3,135.22**	9,580.53

(ix) Foreign currency translation reserve : Exchange difference arising from translation of foreign operations are recognised in other comprehensive income as described in accounting policies [Refer note 1(a)(vi)] and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss on disposal of the net investment.

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	84.78	32.92
Other comprehensive income for the year	10.42	51.86
Balance at the end of the year	**95.20**	84.78

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Saregama India Ltd.

(Amount in Rupees lakhs, except otherwise stated)

14 Employee benefit obligations (non-current)

	As at 31 March 2020	As at 31 March 2019
Leave encashment obligations (Refer Note 30)	349.57	283.55
Total employee benefit obligations (non-current)	**349.57**	**283.55**

15 Deferred tax liabilities (net)

The balance comprises temporary differences attributable to:

	Balance as at 1 April 2019	Recognised to profit or loss during the year	Other adjustments	Recognised to/ reclassified from OCI	Recognised directly to other equity	Balance as at 31 March 2020
Deferred tax liability						
Fair value changes on financial assets-equity instruments	1,281.40	-	-	(844.59)	-	436.81
Property, plant and equipment, right-of-use assets, intangible assets and investment property	4,305.45	23.02	-	-	(27.03)	4,301.44
Minimum guarantee royalty advance for films	614.67	(397.81)	-	-	-	216.86
Provision for royalty on licence fees	115.24	(43.71)	-	-	-	71.53
Total deferred tax liability	**6,316.76**	**(418.50)**	**-**	**(844.59)**	**(27.03)**	**5,026.64**
Deferred tax asset						
Allowance for expected credit loss	329.90	(64.30)	-	-	-	265.60
Expenditure allowable for tax purpose in subsequent years	101.79	(21.03)	-	26.06	-	106.82
Stock appreciation rights	45.27	-	-	-	-	45.27
Income received in advance-digital film	34.99	(16.37)	-	-	-	18.62
Lease Liabilities	-	11.84	-	-	-	11.84
Total deferred tax asset	**511.95**	**(89.86)**	**-**	**26.06**	**-**	**448.15**
Net deferred tax liability	**5,804.81**	**(328.64)**	**-**	**(870.65)**	**(27.03)**	**4,578.49**

	Balance as at 1 April 2018	Recognised to profit or loss during the year	Other adjustments	Recognised to/ reclassified from OCI	Recognised directly to other equity	Balance as at 31 March 2019
Deferred tax liability						
Fair value changes on financial assets-equity instruments	1,314.53	-	-	(33.13)	-	1,281.40
Property, plant and equipment, intangible assets and investment property	4,300.82	7.30	-	-	(2.67)	4,305.45
Minimum guarantee royalty advance for films	-	614.67	-	-	-	614.67
Provision for royalty on licence fees	27.07	88.17	-	-	-	115.24
Total deferred tax liability	5,642.42	710.14	-	(33.13)	(2.67)	6,316.76
Deferred tax asset						
Allowance for expected credit loss	492.78	(162.88)	-	-	-	329.90
Expenditure allowable for tax purpose in subsequent years	168.56	(66.77)	-	-	-	101.79
Stock appreciation rights	45.27	-	-	-	-	45.27
Income received in advance-digital film	-	34.99	-	-	-	34.99
Others	142.60	-	(132.54)	(10.06)	-	-
Total deferred tax asset	849.21	(194.66)	(132.54)	(10.06)	-	511.95
Net deferred tax liability	4,793.21	904.80	-	(23.07)	(2.67)	5,804.81

16 **Financial liabilities (current)**

16.1 **Borrowings**

	As at 31 March 2020	As at 31 March 2019
Secured		
Loan repayable on demand from Banks*	633.22	3,580.98
Unsecured		
Short-term loan from bank	-	2,500.00
Inter-corporate deposits, repayable on demand	290.00	295.55
Total borrowings	923.22	6,376.53

* Cash Credit from Banks bearing interest rate between **9.25% to 10.00% p.a.** (2018-19: 9.25% to 10.00% p.a.) are secured by first pari passu charge (ranking pari passu with all consortium bankers) over the whole of the current assets of the Parent Company including its inventories, bills receivable and book debts and all other movables, both present and future whether now lying loose or in cases wherever they may be situated and also by the second charge on the Parent Company's movable fixed assets, both present and future ranking pari passu without any preference or priority of one over the others.

Refer Note (3), (9), (10.1), (10.2), (10.4) and (10.5) for details of carrying amount of assets pledged as security for secured borrowings and Note 33 for information about liquidity risk and market risk on borrowings.

16.2 **Trade payables**

	As at 31 March 2020	As at 31 March 2019
Trade payables		
a) Total outstanding dues of micro enterprises and small enterprises	3.46	1.91
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	5,796.93	5,643.26
Total trade payables	5,800.39	5,645.17

The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Group. The disclosures relating to Micro and Small Enterprises are as below:

Micro and Small Enterprises :

The Company has amounts due to suppliers under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED')

	As at 31 March 2020	As at 31 March 2019
(a) The Principal amount and interest due thereon remaining unpaid to suppliers under MSMED as at the end of accounting year		
Principal	1.72	0.61
Interest	0.22	0.14
(b) The amount of interest paid in terms of Section 16 of MSMED along with the amount of payment made to suppliers beyond the appointed day during the year		
Principal	0.58	-
Interest	0.11	-
(c)The amount of interest due and payable for principal paid during the year beyond the appointed day but without adding the interest specified under MSMED		
Principal	-	-
Interest	-	-
(d) The amount of interest accrued and remaining unpaid at the end of the year	0.55	0.25
(e) The amount of further interest remaining due and payable even in the succeeding year, until such date when interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as deductible expenditure under Section 23 of the MSMED [including Rs 1.30 Lakhs (31 March 2019 - Rs.0.91 Lakh being interest outstanding as at the beginning of the accounting year]	1.74	1.30

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SAREGAMA INDIA LTD.

(Amount in Rupees lakhs, except otherwise stated)

16.3 Other financial liabilities

	As at 31 March 2020	As at 31 March 2019
Security deposit		
Security deposit from dealers and others	88.36	89.07
Security deposit from General Insurance Corporation of India on sub lease of property	18.01	18.01
Unpaid dividends*	20.19	16.22
Others		
Dealer's incentive	93.90	573.74
Liabilities for expenses	1,103.83	1,611.31
Employee benefits payable	819.21	1,705.02
Interest accrued and due on deposits from dealers	50.32	46.99
Liability towards deposits received under settlement	152.58	152.58
Total other financial liabilities	**2,346.40**	4,212.94

* There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the year end.

17 Other current liabilities

	As at 31 March 2020	As at 31 March 2019
Income received in advance	1,763.67	1,114.81
Advance from customers	277.46	152.68
Amount payable to Government authorities*	338.20	564.06
Others	59.50	-
Total other current liabilities	**2,438.83**	1,831.55

*Primarily include payables in respect of Goods and Services Tax (GST) and tax deducted at source (TDS).

18 Provisions

	As at 31 March 2020	As at 31 March 2019
Other provisions		
Provision for returns of magazines	17.92	12.05
Provision for royalty on licence fees (Refer Note 18.1)	5,141.00	3,555.33
Total provisions	**5,158.92**	3,567.38

18.1 Movement of provision for royalty on licence fees

	As at 31 March 2020	As at 31 March 2019
Carrying amount at the beginning of the year	3,555.33	3,584.62
Charged/(credited) to profit or loss		
- created during the year	2,961.95	2,767.06
- discounting on provision created	(281.24)	(524.20)
- unwinding of discount on provision created	326.83	271.88
- unused amounts reversed	(120.09)	(988.42)
Amounts utilised during the year	(1,301.78)	(1,555.61)
Carrying amount at the end of the year	**5,141.00**	3,555.33

19 Employee benefit obligations (current)

	As at 31 March 2020	As at 31 March 2019
Leave encashment obligations (Refer Note 30)	81.74	59.67
Gratuity (Refer Note 30)	146.66	28.45
Total employee benefit obligations (current)	**228.40**	88.12

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SAREGAMA INDIA LTD.

(Amount in Rupees lakhs, except otherwise stated)

20 Revenue from operations

	Year ended 31 March 2020	Year ended 31 March 2019
Sale of products	**20,622.68**	29,477.77
Sale of services		
Income from films and television serials	**7,024.52**	4,764.59
Licence fees	**23,566.28**	19,475.55
Publication	**687.86**	738.84
Other operating revenue	**246.15**	15.23
Total revenue from operations	52,147.49	54,471.98

Disaggregation of revenue from contracts with customers
In the following table, revenue from contracts with customers is diaggregated by primary geography market, products and service lines and timing of revenue recognition. The Group believes that this disaggregation best depicts how the nature, amount, timing of revenues and cash flows are affected by geography and other economic factors:

	Sale of products		Licence fees		Films/Television serials		Publication	
	Year ended 31 March 2020	Year ended 31 March 2019	**Year ended 31 March 2020**	Year ended 31 March 2019	**Year ended 31 March 2020**	Year ended 31 March 2019	**Year ended 31 March 2020**	Year ended 31 March 2019
Revenue by geography								
Domestic	**19,245.72**	28,271.34	**14,773.38**	12,999.07	**6,481.70**	4,089.34	**682.69**	733.17
International	**1,376.96**	1,206.43	**8,792.90**	6,476.48	**542.82**	675.25	**5.17**	5.67
	20,622.68	29,477.77	**23,566.28**	19,475.55	**7,024.52**	4,764.59	**687.86**	738.84
Timing of Revenue Recognition								
Products and services transferred at a point in time	**20,622.68**	29,477.77	**8,632.17**	12,219.14	**7,024.52**	4,764.59	**666.21**	720.96
Products and services transferred over time	**-**	-	**14,934.11**	7,256.41	**-**	-	**21.65**	17.88
Total Revenue from Contracts with customers	**20,622.68**	29,477.77	**23,566.28**	19,475.55	**7,024.52**	4,764.59	**687.86**	738.84

Relationship between disclosure of disaggregated revenue and revenue information for each reportable segment has been disclosed in Note 41 to the financial statement.

Contract Balances
The following table provides information about receivables and contract liabilities from contracts with customers:

	Year ended 31 March 2020	Year ended 31 March 2019
Receivables, which are included in 'trade receivables' (Refer Note 10.1)	**10,845.84**	10,974.55
Contract liabilities, which are included in 'income received in advance' (Refer Note 17)	**1,763.67**	1,114.81

The contract assets primarily relate to the Group's rights to consideration for services rendered but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer.

A receivable is a right to consideration that is unconditional upon passage of time. Revenue from the sale of products is recognised at the point in time when control is transferred to the customer. Revenue from licenses where the customer obtains a "right to access" is recognized over the access period. Revenues in excess of billings is recorded as unbilled revenue and is classified as a financial asset for these cases as right to consideration is unconditional upon passage of time.

Invoicing in excess of earnings are classified as contract laibility .

Changes in contract liabilities are as follows:

	Year ended 31 March 2020	Year ended 31 March 2019
Balance at the beginning of the year	**1,114.81**	407.51
Revenue recognised that was included in the contract liabilities at the beginning of the year	**(1,114.81)**	(407.51)
Increase due to invoicing during the year, excluding amounts recognised as revenue during the year	**1,763.67**	1,114.81
Balance at the end of the year	**1,763.67**	1,114.81

The Parent Company has entered into a few contracts where the period between the transfer of the promised goods or services to the customer and payments by the customer exceeds one year and hence, there exists a financing component included in such contracts. On evaluation of the terms of the contracts, the effects of financing have not been found to be significant and the same has been adjusted accordingly.

Reconciliation of revenue recognised with the contracted price is as follows:

	Year ended 31 March 2020	Year ended 31 March 2019
Contracted prices	**52,831.42**	55,662.92
Reductions towards variable consideration components	**(930.08)**	(1,206.17)
Revenue recognised*	**51,901.34**	54,456.75

* The above balances inlcude revenue from sale of products and sale of services.

The reduction towards variable consideration comprises of volume discounts, incentives, etc.

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SAREGAMA INDIA LTD.

SAREGAMA INDIA LIMITED
Notes to the consolidated financial statements for the year ended 31 March 2020 (continued)
(Amount in Rupees lakhs, except otherwise stated)

20 Revenue from operations (continued)

Performance obligation

The following table provides information about the nature and timing of performance obligation in contracts with customers, including significant payment terms and related revenue recognition policies

Type of product	Nature and timing of satisfaction of performance obligation, including significant payment terms	Revenue recognition under Ind AS 115
Physical products	In case of sales of products, customer obtain control of the products when the goods are delivered at customer's premise.	Revenue from the sale of products is recognised at the point in time when control is transferred to the customer. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.
	For sale of product on a bill-and hold basis, for a customer to have obtained control of a product in a bill-and-hold arrangement, Group has applied the guidance as set out in Ind AS 115.	Group recognises revenue when it satisfies its performance obligation to transfer the control of a product to the customer. For a customer to have obtained control of a product in a bill-and-hold arrangement, Group has applied the guidance as set out in Ind AS 115.
Music Licensing	The performance obligation of "right-to-use" of Music Licensing contracts gets satisfied at the time of entering into agreement/ contracts with customers. In case of "right-to-access" of Music Licensing contracts, the Group undertakes activities that significantly affect the Music Licenses to which the customer has rights. In these cases, the performance obligation gets complete when the Customers accessess the music licenses. Payment is made as per the terms of the Contract.	Revenue from Music licensing where the customer obtains a "right to use" is recognized at the time the license is made available to the customer. Revenue from licenses where the customer obtains a "right to access" is recognized over the access period.
Sale of television serial episodes	In case of sale of TV serial episodes, customer obtain control of the TV Software when the same is delivered to them and revenue is recognised at that point in time.	Revenue from the sale of televeision serial episodes is recognised upfront at the point in time when the software is delivered to the customer.
Sale of Free Commercial Time	The performance obligation gets satisfied at the time when the related advertisement or commercials appears before the public, i.e. on telecast.	Revenue from sale of free commercial time (net of trade discount, as applicable) are recognised when the related advertisement or commercials appears before the public, i.e. on telecast.
Threatrical Distribution of Films	The performance obligation gets satisfied at the time of exhibition of films.	Revenue from theatrical distribution is recognised on exhibition of films. In case of distribution through theatres, revenue is recognised on the basis of box office reports received from various exhibitors. Contracted minimum guarantees are recognised on theatrical release.
Sale of Film Rights	The performance obligation gets satisfied at the time of assignment of such rights as per terms of the sale/licencing agreements. Invoices are payable within contractually agreed credit period.	Revenue from Sale of films rights are recognised on assignment of such rights as per terms of the sale/licencing agreements.
Publication revenue	The performance obligation gets satisfied when the magazines are sold. The performance obligation gets satisfied when the publications are delivered to the subscribers over the subscription period.	Revenue from current affairs and features magazine is recognised in the period in which the magazines are sold and are accounted for net of commission and discounts. Revenue from subscription to the Group's print publications is recognised as earned, prorata on a per issue basis over the subscription period.

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SAREGAMA INDIA LTD.

(Amount in Rupees lakhs, except otherwise stated)

21 Other income

	Year ended 31 March 2020	Year ended 31 March 2019
Liabilities/Provisions no longer required written back	328.09	1,134.80
Provision for advances no longer required written back	-	9.35
Interest income under effective interest method (refer note below)	378.82	879.97
Dividend income from equity investments designated at FVOCI*	309.03	270.40
Profit on sale of property, plant and equipment	0.12	0.88
Profit on sale of Investment in Mutual Fund	0.12	0.43
Rent Income (Refer Note 4)	23.58	22.79
Net gain on foreign currency transactions/ translation	59.13	96.30
Insurance claim against fire (Refer Note 43)	-	3,218.72
Other non-operating income	24.01	7.38
Total other income	1,122.90	5,641.02

Note:

	Year ended 31 March 2020	Year ended 31 March 2019
Above Interest income comprises :		
- Interest income on bank balances and bank deposits	14.12	11.15
- Interest income on income tax refund	13.61	280.97
- Unwinding of discount on financial assets	67.13	51.61
- Discounting of financial liabilities/provision	281.24	524.20
- Other interest	2.72	12.04
Total interest income	378.82	879.97

* All dividends from equity investments designated at FVOCI relate to investments held at the end of the reporting year.

22 Cost of material consumed/ Contract manufacturing charges

	Year ended 31 March 2020	Year ended 31 March 2019
Cost of materials consumed	156.04	99.85
Contract manufacturing charges	10,546.72	22,060.96
Total cost of material consumed/ contract manufacturing charges	10,702.76	22,160.81

23 Cost of production of films and television serials

	Year ended 31 March 2020	Year ended 31 March 2019
Cost of production of films and television serials	5,408.43	4,882.90
Total cost of production of films and television serials	5,408.43	4,882.90

24 Changes in inventories of finished goods and work-in-progress [(increase)/decrease]

	Year ended 31 March 2020		Year ended 31 March 2019	
Opening stock				
- Finished goods- Untelecasted television serials/digital films	479.37		110.47	
- Finished goods- Carvaan/music card and others	7,514.10		3,641.24	
- Work-in-progress- Digital films under production	1,611.10	9,604.57	1,149.42	4,901.13
Less: Closing stock				
- Finished goods- Untelecasted television serials/digital films	264.32		479.37	
- Finished goods- Carvaan/music card and others	7,248.70		7,514.10	
- Work-in-progress- Digital films under production	1,835.59	9,348.61	1,611.10	9,604.57
Net decrease/(increase)		255.96		(4,703.44)

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SAREGAMA INDIA LTD.

(Amount in Rupees lakhs, except otherwise stated)

25 Employee benefits expense

	Year ended 31 March 2020	Year ended 31 March 2019
Salaries, wages and bonus	6,099.81	5,227.89
Share based payment expense (Refer Note 31)	21.78	3.05
Contribution to provident and other funds (Refer Note 30)	331.42	280.96
Staff welfare expenses	208.53	139.43
Total employee benefits expense	6,661.54	5,651.33

26 Finance costs

	Year ended 31 March 2020	Year ended 31 March 2019
Interest expense on financial liabilities measured at amortised cost:		
- on loan and others	302.06	343.11
- unwinding of discount on financial liabilities/provision	326.83	271.88
- on lease liabilities	9.02	-
Other borrowing costs	33.56	41.04
Total finance costs	671.47	656.03

27 Depreciation and amortisation expense

	Year ended 31 March 2020	Year ended 31 March 2019
Depreciation on property, plant and equipment	179.06	187.70
Depreciation on right-of-use assets	81.62	-
Depreciation on investment properties	5.56	5.53
Amortisation on Intangible asset	197.52	139.28
Total depreciation and amortisation expense	463.76	332.51

28 Other expenses

	Year ended 31 March 2020	Year ended 31 March 2019
Power and fuel	122.33	114.48
Rent (Refer Note 4)	425.59	422.14
Repairs - Buildings	31.89	18.62
- Machinery	-	1.51
- Others	41.13	42.91
Royalties	6,124.79	5,591.64
Recording expenses	20.26	30.87
Carriage, freight and forwarding charges	1,717.50	1,963.71
Rates and taxes	174.80	686.76
Insurance	121.89	82.44
Travel and conveyance	728.95	622.53
Advertisement and sales promotion	9,293.89	10,484.89
Editorial expenses	137.66	100.48
Printing and publishing expenses	68.14	63.11
Printing and communication expenses	335.66	336.46
Bad debts/advances written off	5.03	24.81
Allowance for expected credit loss / provision for doubtful advances	159.98	(415.67)
Provision for magazine returns	13.08	10.73
Loss on disposal of property, plant and equipment	1.81	0.21
Legal and consultancy expenses	2,147.58	1,346.50
Corporate social responsibility expenses (Refer Note 28.1)	113.16	70.22
Payment to auditors	100.37	90.39
Miscellaneous expense	1,186.21	975.15
Total other expense	23,071.70	22,664.89

28.1 Corporate social responsibility expenditure

(a) Gross amount required to be spent by the Group during the year	113.16	70.22
(b) Amount paid to RP-Sanjiv Goenka Group CSR Trust towards purposes other than construction/acquisition of assets	113.16	70.22

(c) There is no provision outstanding as at 31 March 2020 and 31 March 2019.

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SAREGAMA INDIA LTD.

(Amount in Rupees lakhs, except otherwise stated)

29 Tax expenses

A. Tax expense recognised in the Statement of Profit and Loss

	Year ended 31 March 2020	Year ended 31 March 2019
Current tax		
Current tax on profits for the year	1,968.01	2,130.51
Tax related to prior period	45.95	-
Total current tax	2,013.96	2,130.51
Deferred tax		
Decrease in deferred tax assets	89.86	194.66
(Decrease)/ increase in deferred tax liabilities	(418.50)	710.14
Total deferred tax expense (credit)/charge	(328.64)	904.80
Total tax expense	1,685.32	3,035.31

B. Amount recognised in other comprehensive income

	Year ended 31 March 2020	Year ended 31 March 2019
The tax charge arising on income and expenses recognised in Other Comprehensive Income are as follows:		
Deferred tax		
On items that will not be reclassified subsequently to profit or loss		
Remeasurements of post-employment benefit obligations	26.06	(10.06)
Changes in fair value of equity instruments designated at FVOCI	844.59	33.13
Total	870.65	23.07

C. Reconciliation of tax expense

	Year ended 31 March 2020	Year ended 31 March 2019
Profit before tax	6,034.77	8,467.97
Income tax expense calculated @ **25.17%** (31 March 2019 - 29.12%)	1,518.95	2,465.87
Adjustments:		
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Items not deductible for tax purposes	145.45	543.04
Effect of income not taxable	(77.78)	(66.86)
Other items	8.72	2.03
Impact of change in statutory tax rate	89.98	91.23
Income tax expense	1,685.32	3,035.31

The tax rate used in the above reconciliation for the year 2019-20 is the tax rate of **25.17%** (22% + surcharge @ 10% and education cess @ 4%) as against tax rate of 29.12% (25% + surcharge @ 12% and education cess @ 4%) for the year 2018-19 payable on taxable profits under the Income Tax Act, 1961.

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SAREGAMA INDIA LTD.

(Amount in Rupees lakhs, except otherwise stated)

30 **Assets and liabilities relating to employee benefits**

(I) **Post-employment Defined Benefit Plans:**

(A) Gratuity (funded)

The Group provides for gratuity, a defined benefit retirement plan covering eligible employees. As per the plan, the Gratuity Fund Trusts, administered and managed by the Trustees and funded primarily with Life Insurance Corporation of India (LICI), ICICI Prudential Life Insurance Company Limited and Aviva Life Insurance Company Limited, make payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Trustees are responsible for the overall governance of the plan and to act in accordance with the provisions of the trust deed and rules in the best interests of the plan participants. Each year an Asset-Liability matching study is performed in which the consequences of the strategic investment policies are analysed in terms of risk and return profiles. Investment and contribution policies are integrated within this study. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation as set out in Note 1(q)(iii) in significant accounting policies, based upon which, the Group makes contributions to the Employees' Gratuity Funds

The following table sets forth the particulars in respect of the Gratuity Plan (funded) of the Group.

	31 March 2020		31 March 2019	
	Parent	Subsidiary	Parent	Subsidiary
(a) Reconciliation of opening and closing balances of the present value of the defined benefit obligation:				
Present value of obligation at the beginning of the year	487.90	45.28	511.91	41.56
Current service cost	64.59	10.84	73.70	9.86
Interest cost	33.68	3.49	34.59	3.16
Remeasurements (gains) / losses				
Actuarial (gain)/ loss arising from changes in financial assumptions	27.88	5.69	3.83	(0.49)
Actuarial (gain)/ loss arising from changes in experience adjustments	60.33	0.27	1.60	(2.63)
Actuarial (gain)/ loss arising from changes in demographic adjustments	-	0.01	(36.39)	-
Benefits paid	(27.04)	(4.27)	(101.34)	(6.18)
Present value of obligation at the end of the year	647.34	61.31	487.90	45.28
(b) Reconciliation of the opening and closing balances of the fair value of plan assets:				
Fair value of plan assets at the beginning of the year	459.45	54.98	485.06	43.40
Interest Income	33.36	4.24	34.12	3.30
Remeasurements gains / (losses)				
Return on plan assets (excluding amount included in net interest cost)	(5.52)	(1.09)	0.49	(0.54)
Contributions by employer	30.00	-	30.00	15.00
Benefits paid	(9.16)	(4.27)	(90.22)	(6.18)
Fair value of plan assets at the end of the year	508.13	53.86	459.45	54.98
(c) Reconciliation of the present value of the defined benefit obligation and the fair value of plan assets:				
Present value of obligation at the end of the year	647.34	61.31	487.90	45.28
Fair value of plan assets at the end of the year	508.13	53.86	459.45	54.98
Liabilities recognised in the balance sheet	139.21	7.45	28.45	(9.70)
(d) Actual return on plan assets	27.84	3.15	34.61	2.75
(e) Re-measurements losses/(gains) recognised in the Other Comprehensive Income				
Return on plan assets (excluding amount included in net interest cost)	5.52	1.09	(0.49)	0.54
Effect of changes in financial assumptions	27.88	5.69	3.83	(0.49)
Effect of changes in experience adjustments	60.33	0.27	1.60	(2.63)
Effect of changes in demographic adjustments	-	0.01	(36.39)	-
Total re-measurement losses/(gains) included in Other Comprehensive Income	93.73	7.06	(31.45)	(2.58)
(f) Expense recognised in Statement of Profit or Loss:				
Current service cost	64.59	10.84	73.70	9.86
Net interest cost	0.32	(0.75)	0.47	(0.14)
Total expense recognised in Statement of Profit and Loss (Refer Note 25)	64.91	10.09	74.17	9.72
(g) Category of plan assets:	In %	In %	In %	In %
(a) Fund with Life Insurance Corporation of India	63%	-	61%	
(b) NAV based Group Balanced Fund with ICICI Prudential Life Insurance Company Limited	18%	-	20%	-
(c) NAV based Group Short Term Debt Fund with ICICI Prudential Life Insurance Company Limited	9%	-	9%	-
(d) NAV based Group Debt Fund with ICICI Prudential Life Insurance Company Limited	10%	-	10%	-
(e) Fund with Aviva Life Insurance Company India Ltd.	-	100%	-	100%
	100%	100%	100%	100%

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SAREGAMA INDIA LTD.

30 Assets and liabilities relating to employee benefits (continued)

	31 March 2020		31 March 2019	
	Parent	Subsidiary	Parent	Subsidiary
(h) Maturity profile of defined benefit obligation:				
Within 1 year	289.27	8.13	218.58	5.38
1-2 year	29.47	11.48	20.34	10.32
2-5 years	128.68	14.22	75.11	16.78
Over 5 years	424.10	109.65	314.91	92.72

(i) Principal actuarial assumptions:	31 March 2020		31 March 2019	
	Parent	Subsidiary	Parent	Subsidiary
Discount rate	6.30%	6.75%	7.10%	7.70%
Salary growth rate	10.00%	7.00%	10.00%	7.00%

Assumptions regarding future mortality experience are based on mortality tables of 'Indian Assured Lives Mortality (2006-2008)' published by the Institute of Actuaries of India.

The estimate of future salary increases takes into account inflation, seniority, promotion and other relevant factors, such as demand and supply in the employment market.

(j) Sensitivity analysis	Change in Assumption	Impact on defined benefit obligation (2019-20)	Impact on defined benefit obligation (2018-19)
Discount Rate	Increase by 1%	Decrease by Rs.40.34 Lakhs	Decrease by Rs.30.38 Lakhs
	Decrease by 1%	Increase by Rs.46.94 Lakhs	Increase by Rs.35.36 Lakhs
Salary Growth Rate	Increase by 1%	Increase by Rs.45.09 Lakhs	Increase by Rs.34.23 Lakhs
	Decrease by 1%	Decrease by Rs.39.62 Lakhs	Decrease by Rs.30.04 Lakhs

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit obligation recognised in the Balance Sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(k) The Group expects to contribute **Rs.92.00 Lakhs** (previous year - Rs.65.81 Lakhs) to the funded gratuity plans during the next financial year.

(l) The weighted average duration of the defined benefit obligation as at 31 March 2020 for Parent Company is **6 years** (31 March 2019 – 6 years) and for subsidiary is **11 Years** (31 March 2019 - 11 Years).

(II) Post-employment defined contribution plans

(A) Superannuation fund

Certain categories of employees of the Parent Company participate in superannuation, a defined contribution plan administered by the Trust set up by the Parent Company. The Parent Company makes yearly contributions based on a specified percentage of each covered employee's salary. The Parent Company has no further obligations under the plan beyond its annual contributions.

During the year, an amount of Rs.14.77 Lakhs (previous year- Rs.13.22 Lakhs) has been recognised as expenditure towards above defined contribution plan of the Parent Company (Refer Note 25).

(B) Provident fund

All categories of employees of the Group receive benefits from a provident fund, a defined contribution plan. Both the employee and employer make monthly contributions to a government administered fund at specified percentage of the covered employee's qualifying salary. The Group has no further obligations under the plan beyond its monthly contributions.

During the year, an amount of **Rs.227.08 Lakhs** (previous year- Rs.174.49 Lakhs) has been recognised as expenditure towards above defined contribution plans of the Group (Refer Note 25).

(III) Leave obligations

The Group provides for accumulation of leave by certain categories of its employees. These employees can carry forward a portion of the unutilised leave balances and utilise it in future periods or receive cash (only in case of earned leave) in lieu thereof as per the Group's policy. The Group records a provision for leave obligations in the period in which the employee renders the services that increases this entitlement.

The total provision recorded by the Group towards this obligation was **Rs.431.31 Lakhs** and Rs.343.23 Lakhs as at 31 March 2020 and 31 March 2019 respectively. The amount of the provision is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

	31 March 2020	31 March 2019
Leave provision not expected to be settled within the next 12 months (Refer Note 14).	349.57	283.55

(IV) Risk exposure

Through its defined benefit plans, the Company is exposed to some risks, the most significant of which are detailed below:

Discount rate risk

The Company is exposed to the risk of fall in discount rate. A fall in discount rate will eventually inrease the ultimate cost of providing the above benefit thereby increasing the value of the liability.

Salary growth risks

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

Demographic risk

In the valuation of the liability, certain demographic (mortality and attrition rates) assumptions are made. The Company is exposed to this risk to the extent of actual experience eventually being worse compared to the assumptions thereby causing an increase in the benefit cost.

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SAREGAMA INDIA LTD.

(Amount in Rupees lakhs, except otherwise stated)

31 Share based payments

(a) Employee stock option scheme

The establishment of the Employee Stock Option Scheme 2013 (Scheme) was approved by the shareholders of the parent company at the Annual General Meeting held on 26 July 2013. The Scheme is designed to provide incentives to eligible employees to deliver long term returns. Under the Scheme each Option entitles the holder thereof to apply for and be allotted one equity shares of the Parent Company of Rs.10 each upon payment of the exercise price during the exercise period.
The exercise period commences from the date of vesting of the Options and expires at the end of 10 years from the date of vesting. The Options have been granted at the 'market price' as defined under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

Performance linked vesting schedule of the said options is as follows :-

- After 1 year from the date of grant : 20 % of the options granted
- After 2 years from the date of grant : 20 % of the options granted
- After 3 years from the date of grant : 20 % of the options granted
- After 4 years from the date of grant : 20 % of the options granted
- After 5 years from the date of grant : 20 % of the options granted

Information in respect of Options granted under the Scheme :
Pursuant to approved Scheme, the Compensation Committee / Nomination and Remuneration Committee of the Board of Directors of the Parent Company has granted shares / options during 2013-14, 2016-17 and 2019-20 to certain eligible employees and outstanding as on 31 March 2020 at the following exercise price, being prevailing market price as on date of joining / revision of salary of respective employee.

Name of eligible employees	**As at 31 March 2020**		As at 31 March 2019	
	No. of options/shares	**Exercise price per share (Rs.)**	No. of options/shares	Exercise price per share (Rs.)
Mr. Vikram Mehra, Managing Director*	**2,00,000**	**170.65**	-	-
Mr. G. B. Aayeer, Chief Financial Officer and Director (upto 28 May 2018)	-	-	9,529	69.85
Mr. Kumar Ajit, Vice President - Sales and marketing	**4,000**	**243.70**	10,000	243.70

Exercise of options by the option holders shall entail issuance of equity shares by the Parent Company on compliance / completion of related formalities on the basis of 1:1.

During the year 2018-19, 471 options out of 10,000 options granted to Mr.G.B.Aayeer with exercise price of Rs.69.85 per share was lasped on his retirement.

The Nomination and Remuneration Committee of the Board of Directors of the Parent Company in its meeting held on 8 May 2019, has recommended amendments to the clauses in the ESOS 2013 to effect implementation of the said scheme through Saregama Welfare Trust and the same has been approved by the shareholders of the Parent Company in the Annual General Meeting held on 19 July 2019. Basis the above modification, ESOS 2013 is being implemented through a trust viz. Saregama Welfare Trust ("Trust") in accordance with the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI SBEB Regulations"). This involves secondary market acquisition of the Parent Company's equity shares by the Trust.

*The Nomination and Remuneration Committee of the Parent Company in its meeting held on 17 Januray 2020 cancelled 2,00,000 Stock Appreciation rights issued to Mr. Vikram Mehra, Managing Director, on 27 October 2014 already vested under the Saregama Stock Appreciation Rights Scheme 2014.
In accordance with the aforesaid shareholders approval w.r.t. modification of employee share benefit schemes, the Nomination and Remuneration Committee of the Parent Company has granted 2,00,000 options to Mr. Vikram Mehra, Managing Director under the Saregama Employee Stock Option Scheme 2013 at an exercise price of Rs.170.65, being in line with the requirements of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
The aforesaid Options would vest after 1 year from the date of grant and the exercise period is 10 years from the date of vesting of earlier issued SARs i.e. 27 October 2016.

Measurement of fair value

The fair value of Employee Stock Options as on the date of grant was determined using the Black Scholes Model which takes into account the share price at the measurement date, expected price volatility of the underlying share, the expected dividend yield and risk free interest rate and carrying amount of liability included in employee benefit obligations.

The fair value of the options and the inputs used in the measurement of fair value as on the grant date are as follows:

	Vikram Mehra	**Kumar Ajit**
Grant date	17-Jan-20	09-Sep-16
Fair value at grant date (Rs.)	304.40	141.90
Share price at grant date (Rs.)	435.00	243.70
Exercise price (Rs.)	170.65	243.70
Expected volatility	48.50%	55.96%
Expected Life (expected weighted average life)	3.9 Years	8 Years
Expected dividend	0.54%	1.34%
Risk free interest rate (based on Government bonds)	6.40%	7.00%

Expected volatility has been based on the evaluation of the historical volatility of the Parent Company's share price, particularly over the historical period commensurate with the expected term. The Expected term of the instruments has been based on the historical experience and general option holder behaviour.

Reconciliation of outstanding share options

	31 March 2020	31 March 2019
Number of Options Outstanding at the beginning of the year	**19529**	30000
Number of Options granted during the year	**200000**	-
Number of Options forfeited/lapsed during the year	**9**	10471
Number of Options vested during the year	**2000**	5940
Number of Options exercised during the year	**15520**	-
Number of Shares arising as a result of exercise of options	**15520**	-
Number of Options outstanding at the end of the year	**204000**	19529
Number of Options exercisable at the end of the year	-	13529

The weighted average share price of shares arising upon exercise of Options for the year ended 31 March 2020 based on the closing market price on NSE was Rs.476.19. No options has been exercised during the year ended 31 March 2019.

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SAREGAMA INDIA LTD.

(b) Stock appreciation rights

The Nomination and Remuneration Committee of the Board of Directors of the Parent Company has granted Stock Appreciation Rights ("SAR") to certain eligible employees pursuant to the Company's Stock Appreciation Rights Scheme 2014 and Stock Appreciation Rights Scheme 2018 (together referred to as "Schemes"). The grant price is determined as defined in the Scheme. The Schemes have different performance linked vesting schedules. The exercise period commences from the date of vesting of the Options and expires at the end of 10 years from the date of vesting. Under the Scheme, the specified eligible employees are entitled to receive cash payment, being the difference in the share price between the date of grant and the date of exercise subject to certain conditions. The Schemes are administered by Nomination and Remuneration Committee.

Details of SAR Schemes	**SAR Scheme'2014**		**SAR Scheme'2018**	
Grant Date	27 October 2014		31 July 2018	
Grant Price (Rs.)	170.65		416.20	
Vesting Schedule	66% after 1 year from grant date 34% after 2 years from grant date		40% after 1 year from grant date 20% after 2 years from grant date 20% after 3 years from grant date 20% after 4 years from grant date	
	As at 31 March		**As at 31 March**	
	2020	2019	**2020**	2019
Number of SAR outstanding at the beginning of the year	**200000**	200000	**100000**	-
Add: Granted during the year	**-**	-	**-**	100000
Less: Forfeited / lapsed during the year	**200000**	-	**-**	-
Less: Exercised during the year	**-**	-	**-**	-
Number of SAR outstanding at the end of the year	**-**	200000	**100000**	100000
Fair value of SAR at the end of the year (Rs.)	**-**	456.10	**66.78**	390.54
Carrying amount of liability - included in employee benefits payable (Rs.in Lakhs) (Refer Note 16.4)	**-**	912.20	**48.07**	156.73

The fair value of SAR was determined using the Black Scholes Model using the following inputs at the grant date and at each reporting dates:	**SAR Scheme'2014**		**SAR Scheme'2018**	
	As at 31 March		**As at 31 March**	
	2020	2019	**2020**	2019
Share price at measurement date (Rs. per share)	**-**	589.80	**195.30**	589.80
Exercise price (Rs. per share)	**-**	170.65	**416.20**	416.20
Expected time (in years)	**-**	3.80	**5.66**	6.50
Expected volatility (%)	**-**	54.80%	**52.96%**	53.88%
Dividend yield (%)	**-**	0.55%	**0.54%**	0.55%
Risk-free interest rate (%)	**-**	6.85%	**6.00%**	7.24%

(c) Expense arising from share based payment transactions

Total expenses arising from share-based payment transactions recognised in Statement of Profit and Loss as part of employee benefit expense are as follows:

	Year ended 31 March 2020	Year ended 31 March 2019
Employee stock option scheme	**21.78**	3.05
Share appreciation rights	**(510.05)**	31.93

During the year, the Parent Company has cancelled the existing SAR Scheme 2014 and have issued equivalent options under the Employee Stock Option Scheme 2013 to SAR holder. The said modification has resulted in change of classification from cash-settled to equity-settled and, at the same time, change the value of the award. Accordingly, Parent Company has recognised the change in the value of the liability on account of modification in the plan in the statement of profit or loss. Further, as the classification changes from cash-settled to equity settled, the Parent Company immediately reclassified the amount of Rs.510.81 Lakhs lying as provision for Stock Appreciation Rights up to the modification date i.e 17 January 2020 to equity i.e Share Options Outstanding Account. The expense for the remainder vesting period is based on the award's fair value, measured at the modification date and not at the original grant date. The unamortised fair value of the award of Rs. 97.96 Lakhs as on the date of modification is recognised in the statement of profit and loss over the vesting period of one year from the date of gant with corresponding credit to equity.

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SAREGAMA INDIA LTD.

(Amount in Rupees lakhs, except otherwise stated)

32 Fair value measurements

(i) Financial instruments by category

		Notes	As at 31 March 2020 Carrying Amount / Fair Value	As at 31 March 2019 Carrying Amount / Fair Value
A.	**Financial assets**			
(a)	**Measured at fair value through OCI**			
	Investments			
	Equity instruments	7.1	**7,544.15**	14,834.05
	Sub total		**7,544.15**	14,834.05
(b)	**Measured at amortised cost**			
	Trade receivables	10.1	**10,845.84**	10,974.55
	Cash and cash equivalents	10.2	**704.70**	500.21
	Other bank balances	10.3	**194.61**	178.58
	Loans and deposits	7.2,10.4	**503.58**	508.56
	Other financial assets	7.3,10.5	**7.49**	5.42
	Sub total		**12,256.22**	12,167.32
	Total financial assets		**19,800.37**	27,001.37
B.	**Financial Liabilities**			
	Measured at amortised cost			
	Borrowings	16.1	**923.22**	6,376.53
	Trade payables	16.2	**5,800.39**	5,645.17
	Lease liabilities	4	**47.03**	-
	Other financial liabilities	16.3	**2,346.40**	4,212.94
	Total financial liabilities		**9,117.04**	16,234.64

(ii) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows below:

Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: Inputs other than quoted price included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
The fair value of financial instruments that are not traded in an active market is determined using market approach and valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).
If one or more of the significant inputs is not based on observable market data, the fair value is determined using generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparty.

The fair value of trade receivables, cash and cash equivalents, other bank balances, loans and deposits, trade payables, borrowings, lease liabilities and other financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short-term nature. The fair values of unquoted equity instruments were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterpaty credit risk.
There has been no change in the valuation methodology for Level 3 inputs during the year. The Group has classified certain financial instruments under Level 3 of the fair value hierarchy. There were no transfers between Level 1 and Level 2 during the year ended 31 March 2020 and 31 March 2019.

Particulars	Fair Value Hierarchy Level	As at 31 March 2020	As at 31 March 2019
Financial assets			
Measured at fair value through OCI			
Investments			
Equity instruments (quoted)	1	**7,365.61**	14,694.52
Equity instruments (un-quoted)	3	**178.54**	139.53
		7,544.15	14,834.05

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32 Fair value measurements

(ii) Fair value hierarchy (Continued)

Since, some of the Group's financial assets as mentioned in above table are carried at fair value for which Level 3 inputs have been used. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

	Valuation Technique	Significant unobservable inputs	Sensitivity	
			31 March 2020	31 March 2019
Unquoted Equity Instruments	Discounted cash flow	Earning growth rate/ Discounting rate	**Increase in earning growth rate by 1% and lower discount rate by 1% would increase fair value by Rs.46.17 Lakhs.** **Decrease in earning growth rate by 1% and higher discount rate by 1% would decrease fair value by Rs. 40.60 Lakhs.**	Increase in earning growth rate by 1% and lower discount rate by 1% would increase fair value by Rs.41.10 Lakhs Decrease in earning growth rate by 1% and higher discount rate by 1% would decrease fair value by Rs.36.53 Lakhs

Level 3 fair values - Movement in the values of unqouted equity instruments

The following table shows a reconciliation from the opening balance to the closing balance for Level 3 fair values:

Particulars	FVOCI Equity Instruments
Balance at 1 April 2018	164.55
Gain / (loss) included on OCI	
- Net change in fair value (unrealised)	(25.02)
Balance at 31 March 2019	139.53
Balance at 1 April 2019	**139.53**
Gain / (loss) included on OCI	
- Net change in fair value (unrealised)	**39.01**
Balance at 31 March 2020	**178.54**

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SAREGAMA INDIA LTD.

33 Financial risk management

The Group has a system-based approach to risk management, anchored to policies and procedures and internal financial controls aimed at ensuring early identification, evaluation and management of key financial risks (such as market risk, credit risk and liquidity risk) that may arise as a consequence of its business operations as well as its investing and financing activities.

Accordingly, the Group's risk management framework has the objective of ensuring that such risks are managed within acceptable and approved risk parameters in a disciplined and consistent manner and in compliance with applicable regulation. It also seeks to drive accountability in this regard.

This Note explains the sources of risk which the entity is exposed to and how the entity manages the risk. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

(A) Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The Group is exposed to credit risk from its operating activities (primarily Trade Receivables) and from its investing activities (primarily Deposits with Banks).

Trade receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers. Customer credit risk is managed by respective segment subject to the Group's policy and procedures which involve credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Group grants credit terms in the normal course of business. The Group's customer base is large and diverse limiting the risk arising out of credit concentration. Further, credit is extended in business interest in accordance with business-specific credit policies. The Group's exposure to trade receivables on the reporting date, net of expected loss provisions, stood at **Rs.10,845.84 Lakhs** as on 31 March 2020 (31 March 2019 - Rs.10,974.55 Lakhs).

All overdue customer balances are evaluated taking into account the age of the dues, specific credit circumstances, the track record of the counterparty etc. On account of adoption of Ind AS 109, the Group uses expected credit loss model to assess the impairment loss.

The movement of the expected loss provision (allowance for bad and doubtful loans and receivables etc.) made by the Group are as under:

Particulars	**Expected Loss Provision**	
	As at 31 March 2020	As at 31 March 2019
Opening balance	**1,006.83**	1,464.21
Add: Provision made during the year (net)	**136.57**	144.59
Less: Utilisation for impairment/de-recognition/reversal of provision	**-**	(601.97)
Closing balance	**1,143.40**	1,006.83

Other financial assets

Credit risk from balances with banks, term deposits and investments is managed by Group's finance department. Investments in fixed deposits are held with highly rated banks. Investments of surplus are made within assigned credit limits with approved counterparties who meet the threshold requirements with respect to ratings, financial strength, credit spreads etc. Counterparty credit limits are set to minimize concentration risk and are reviewed periodically by the Board of Directors.

The Group's maximum exposure to credit risk for the components of the Balance Sheet as of 31 March 2020 and 31 March 2019 is the carrying amounts as disclosed in Note 7.1, 7.2, 7.3, 10.3, 10.4 and 10.5.

(B) Liquidity risk

Liquidity risk refers to the risk that the Group fails to honour its financial obligations in accordance with terms of contract. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions.

Management monitors rolling forecasts of the Group's liquidity position (including the undrawn credit facilities extended by banks and financial institutions) and cash and cash equivalents on the basis of expected cash flows. In addition, the Group's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

The following table shows a maturity analysis of the anticipated cash flows including interest obligations for the Group's non-derivative financial liabilities on an undiscounted basis (all payable within 12 months), which therefore does not differ significantly from their carrying value as the impact of discounting is not significant.

Non-derivative financial liabilities	**As at 31 March 2020**	As at 31 March 2019
(i) Borrowings including interest obligation (Refer Note 16.1)	**923.22**	6,376.53
(ii) Trade payables (Refer Note 16.2)	**5,800.39**	5,645.17
(iii) Lease liabilities (Refer Note 4)	**47.03**	-
(iii) Other financial liabilities (Refer Note 16.3)	**2,346.40**	4,212.94
	9,117.04	16,234.64

The Group does not have derivative financial liabilities as at the end of above mentioned reporting periods.

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SAREGAMA INDIA LTD.

33 Financial risk management (continued)

(C) Market risk

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group transacts business in local currency and in foreign currencies (primarily US Dollars). The Group has foreign currency trade receivables and trade payables and is therefore exposed to foreign currency risk. The risk is measured through a forecast of highly probable foreign currency cash flows.

The Group's risk management policy is hedging of net foreign currency exposure at all points in time through foreign exchange forward contracts. The objective of the hedging is to eliminate the currency risk due to volatility in exchange rates.

(a) Foreign Currency Risk Exposure:

The Group's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

	As at 31 March 2020		As at 31 March 2019	
	Financial Assets	Financial Liabilities	Financial Assets	Financial Liabilities
USD	416.54	6.60	381.97	114.65
Others	16.58	-	109.18	-
Total	433.12	6.60	491.15	114.65

Net Exposure to Foreign Currency Risk (Assets - Liabilities)	As at 31 March 2020	As at 31 March 2019
USD	409.94	267.32
Others	16.58	109.18
Total	426.52	376.50

(b) Sensitivity

The sensitivity of profit or loss due to changes in the foreign exchange rates arises mainly from foreign currency denominated financial instruments. 10 % appreciation / depreciation of the respective foreign currencies with respect to functional currency (holding all other variables constant) of the Group would result in increase / decrease in the Group's profit before tax as computed below:

	Impact on profit before tax	
	Year ended 31 March 2020	Year ended 31 March 2019
USD sensitivity		
INR/USD -Increase by 10%	40.99	26.73
INR/USD -Decrease by 10%	(40.99)	(26.73)
Other currencies sensitivity		
INR/Others-Increase by 10%	1.66	10.92
INR/Others-Decrease by 10%	(1.66)	(10.92)

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to risk of changes in market interest rates relates primarily to the Group's debt interest obligation. Further the Group engages in financing activities at market linked rates, any changes in the interest rate environment may impact future rates of borrowings.

The exposure of the Group's financial assets and financial liabilities to interest rate risk is as follows:

	As at 31 March 2020		As at 31 March 2019	
	Floating Rate	Fixed Rate	Floating Rate	Fixed Rate
Financial assets	-	174.67	-	162.36
Financial liabilities	923.22	-	3,876.53	2,500.00
	923.22	174.67	3,876.53	2,662.36

Increase/ decrease of 50 basis points (holding all other variables constant) in interest rates at the balance sheet date would result in increase/decrease of **Rs.4.62 Lakhs** (31 March 2019 - Rs.19.38 Lakhs) in interest expense on financial liabilities with floating interest rate and corresponding impact on profit before tax for the year ended 31 March 2020.

The Group invests its surplus funds in fixed deposits. Fixed deposits are held with highly rated banks and have a short tenure and are not subject to interest rate volatility.

(iii) Securities price risk

Securities price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded prices. The Group is not an active investor in equity markets; it continues to hold certain investments in equity for long term value accretion which are accordingly measured at fair value through Other Comprehensive Income. The value of investments in such equity instruments (including quoted and unquoted) as at 31 March 2020 is **Rs.7,544.15 Lakhs** (31 March 2019 - Rs.14,834.05 Lakhs). Accordingly, fair value fluctuations arising from market volatility is recognised in Other Comprehensive Income.

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SAREGAMA INDIA LTD.

(Amount in Rupees lakhs, except otherwise stated)

34 Capital Management

(a) Risk Management

The Group's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of net debt to equity ratio and maturity profile of overall debt portfolio of the Group.

Net debt implies total borrowings of the Group as reduced by Cash and Cash Equivalent and Equity comprises all components attributable to the owners of the Group

The following table summarises the capital of the Company:

	As at 31 March 2020	As at 31 March 2019
Total borrowings (Refer Note 16.1)	923.22	6,376.53
Less: Cash and cash equivalents (Refer Note 10.2)	(704.70)	(500.21)
Net Debt	**218.52**	5,876.32
Equity (Refer Note 13.1 and 13.2)	**39,879.07**	42,808.30
Net Debt to Equity Ratio	**0.01**	0.14

Under the terms of the major borrowing facilities, the Group has complied with the financial covenants as imposed by the bank and financial institutions.

No changes were made to the objectives, policies or processes for managing capital during the years ended **31 March 2020** and 31 March 2019.

(b) Dividend on equity shares

	Year ended 31 March 2020	Year ended 31 March 2019
Dividend declared and paid during the year		
Final dividend for the year ended 31 March 2019 of Rs.3.00 (31 March 2018 - Rs.3.00) per fully paid share	522.60	522.31
Dividend distribution tax on above	107.42	107.36
	630.02	314.18
Proposed dividend not recognised at the end of the reporting period		
Since year end the directors of the Parent Company have recommended the payment of a final dividend of **Rs.1.50** per fully paid share (31 March 2019 – Rs.3.00). This proposed dividend is subject to the approval of shareholders of the Parent Company in the ensuing annual general meeting. Hence, no liability has been recognised in books.	261.39	522.31
Dividend distribution tax on above	-	107.36
	261.39	629.67

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SAREGAMA INDIA LTD.

(Amount in Rupees lakhs, except otherwise stated)

35 Related party disclosures

a) Where Control exists

Holding Company

The Group is controlled by the following entity w.e.f 29 March 2017

Name	Type	Place of Incorporation	Ownership Interest As at 31 March 2020	Ownership Interest As at 31 March 2019
Composure Services Private Limited (CSPL)	Holding Company	India	59.06%	59.11%

b) Joint venture

Saregama Regency Optimedia Private Limited (SROPL) (under liquidation effective 19 September 2016)

c) Key management personnel of the Parent Company and its Holding Company

Name	Relationship
Mr.Sanjiv Goenka	Chairman and Non-Executive Director of Parent Company
Mr.Vikram Mehra	Managing Director of Parent Company
Mr.G.B.Aayeer	Whole-time Director and CFO of Parent Company upto 28 May 2018
Mrs.Preeti Goenka	Non-Executive Director of Parent Company
Mrs.Sushila Goenka	Non-Executive Director of Parent Company, deceased on 15 July 2018
Mrs.Avarna Jain	Non-Executive Director of Parent Company, w.e.f. 29 May 2018
Mr. Umang Kanoria	Non-Executive Independent Director of Parent Company
Mr.Bhaskar Raychaudhuri	Non-Executive Independent Director of Parent Company, deceased on 20 November 2018
Mr.Santanu Bhattacharya	Non-Executive Independent Director of Parent Company
Mr.Arindam Sarkar	Non-Executive Independent Director of Parent Company
Mr.Noshir Naval Framjee	Non-Executive Independent Director of Parent Company
Mr.Vineet Garg	Chief Financial Officer of Parent Company w.e.f. 29 May 2018
Mrs.Kamana Khetan	Company Secretary of Parent Company w.e.f. 4 August 2017
Mr.Rajendra Dey	Director of Holding Company
Mr.Akhilanand Joshi	Director of Holding Company

d) Other Related Parties with whom the Company had transactions

Name	Relationship
Accurate Commodeal Private Limited (ACPL)	Entity controlled by KMP of the Parent Company w.e.f. 25 March 2020
Saregama India Limited Employees Group Gratuity Fund (Gratuity Fund)	Post Employment Benefit Plan of the Parent Company
Saregama India Limited Superannuation Fund (Superannuation Fund)	Post Employment Benefit Plan of the Parent Company
Saregama Welfare Trust	Share Based Benefits Scheme of the Parent Company w.e.f 8 May 2019

B S R & Co. LLP KOLKATA Chartered Accountants

SAREGAMA INDIA LTD.

Saregama India Limited
Notes to the consolidated financial statements for the year ended 31 March 2020 (continued)
(Amount in Rupees lakhs, except otherwise stated)

35 Related party disclosures (continued)

Transactions with related parties

		Year ended 31 March 2020	Year ended 31 March 2019
A	**Holding Company**		
	Dividend Paid	308.75	308.75
B	**Entity jointly controlled by KMP of the Parent Company**		
	ACPL		
	Royalty expense for brand usage	118.75	-
	Re-imbursement of expenses received	68.75	-
C	**Remuneration to Key management personnel of the Parent Company**		
	Mr.Vikram Mehra	593.14	522.93
	Mr.G.B.Aayeer	-	23.86
	Mr.Vineet Garg	163.95	122.10
	Mrs.Kamana Khetan	14.42	9.98
D	**Sitting fees paid to Key management personnel of Parent Company**		
	Mr.Sanjiv Goenka	1.20	1.15
	Mrs.Preeti Goenka	0.80	0.80
	Mrs.Sushila Goenka	-	0.40
	Mrs.Avarna Jain	0.80	0.60
	Mr.Umang Kanoria	0.50	1.30
	Mr.Bhaskar Raychaudhuri	-	1.30
	Mr.Santanu Bhattacharya	1.75	1.30
	Mr.Arindam Sarkar	0.80	0.85
	Mr.Noshir Naval Framjee	1.75	1.25
E	**Payment to Director of the Parent Company**		
	Rent paid to Mrs.Preeti Goenka	-	0.45
F	**Post employment benefit plan of the Parent Company**		
	Contribution towards Saregama India Limited Employees Group Gratuity Fund	30.00	30.00
	Contribution towards Saregama India Limited Superannuation Fund	14.77	13.22
G	**Other Related Party**		
	Loans given to Saregama Welfare Trust for purchase of treasury shares	767.95	-

Key management personnel compensation*

		Year ended 31 March 2020	Year ended 31 March 2019
	Short-term Employee Benefits	731.96	649.58
	Post Employment Benefits	29.61	21.33
	Other Long- term Benefits	9.94	7.96

* The above compensation does not include share based reversal of Rs.479.11 Lakhs for the year ended 31 March 2020 (charge of Rs.16.31 Lakhs for the year ended 31 March 2019)

Balances outstanding at the year end

		As at 31 March 2020	As at 31 March 2019
A	**Joint venture company**		
1)	Non-current investments @		
	SROPL	145.97	145.97
2)	Provision for diminution in the value of investments		
	SROPL	145.97	145.97
B	**Entity jointly controlled by KMP of the Company**		
	ACPL		
	Re-imbursement of expenses receivable	56.12	-
C	**Key management personnel of the Parent Company**		
	Remuneration payable #		
	- Mr.Vikram Mehra	103.85	94.41
	- Mr.G.B.Aayeer	-	20.57
	- Mr.Vineet Garg	23.76	17.66
	- Mrs.Kamana Khetan	1.53	1.21
	# The above remuneration payable does not include share based amount of Rs.574.15 Lakhs as on 31 March 2020 (Rs.1,054.25 Lakhs as on 31 March 2019)		
D	**Other Related Party**		
	Saregama Welfare Trust		
	Loans	3.63	-
	@ Gross of Provision		

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SAREGAMA INDIA LTD.

36 **Interest in other entities:**

(a) **Interests in subsidiaries**

The Parent Company's subsidiaries at 31 March 2020 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name	Country of incorporation	Proportion of Ownership Interest as at	
		31 March 2020	31 March 2019
Saregama Limited (Formerly known as Saregama Plc.)	United Kingdom	76.41%	76.41%
RPG Global Music Limited	Mauritius	100%	100%
Kolkata Metro Networks Limited	India	100%	100%
Open Media Network Private Limited	India	100%	100%
Saregama FZE	UAE	100%	100%
Saregama Inc (Wholly owned subsidiary of Saregama Limited)	USA	76.41%	76.41%

(b) **Interests in joint venture**

Set out below is the joint venture of the Group as at 31 March 2020. The entity have share capital consisting solely of equity shares, which are held directly by the Group. The country of incorporation is also its principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Name	Country of incorporation	Proportion of Ownership Interest as at	
		31 March 2020	31 March 2019
Saregama Regency Optimedia Private Limited (SROPL)	India	26%	26%

The above joint venture (JV) company has been directed to be wound up vide Order dated 19 September 2016 by the Hon'ble High Court at Calcutta and the Official Liquidator attached to this Court has forthwith taken into his custody all the property, effects, books of accounts, other documents and actionable claims. From the aforesaid date, its share in net assets of SROPL has been determined as on that date and shown under Investment accounted for using equity method. Accordingly, this entity has not been considered for consolidation by the Group.

37 **Commitments**

Estimated amount of contract remaining to be executed on Capital account and not provided for [net of advances of **Rs.153.87 Lakhs** (31 March 2019 - Rs.70.00 Lakhs)] as at 31 March 2020 are estimated at **Rs.89.33 Lakhs** (31 March 2019- Rs.94.00 Lakhs).

38 **Contingent liabilities in respect of -**

(i) Income Tax Matter

The Group has ongoing disputes with income tax authorities in India. The disputes relate to tax treatment of certain expenses claimed as deductions, computation or eligibility of allowances. The Group has contingent liability of **Rs.2,090.00 Lakhs** as at 31 March 2020 (31 March 2019 - Rs.1,986.02 Lakhs) in respect of tax demands which are being contested by the Group based on the management evaluation and advice of tax consultants.

(ii) Indirect Tax Matter

The Group has ongoing disputes with Indian tax authorities mainly relating to treatment of characterisation and classification of certain items. The Group has demands amounting to **Rs.513.09 Lakhs** as at 31 March 2020 (31 March 2019 - Rs.889.99 Lakhs) relating to Excise duty, Custom duty, Service tax, Sales tax/VAT and Other indirect taxes from respective indirect tax authorities which are being contested by the Group based on the management evaluation and advice of tax consultants.

(iii) Copyright Matter

The Group has received legal notices of claims / lawsuits filed against it relating to infringement of copyrights in relation to the music used / other matters. Based on management evaluation and advice from legal solicitors, **Rs.39.03 Lakhs** as at 31 March 2020 (31 March 2019 - Rs.39.03 Lakhs) is considered as contingent on account of such claims / law suits.

(iv) There has been a Supreme Court Judgement dated 28 February 2019, relating to components of salary structure that need to be taken into account while computing the contribution to provident fund under the EPF act. There are interpretative aspects related to the judgement including the effective date of application. The Group will continue to assess any further developments in this matter for the implications on financial statements, if any.

(v) Other matters including claims related to property related demands **Rs.3,628.09 Lakhs** as at 31 March 2020 (31 March 2019 - Rs.3,017.79 Lakhs).

In respect of above, it is not practicable for the Group to estimate the timings of cash outflows, if any, pending resolution of the respective proceedings. The Group does not expect any reimbursements in respect of the above.

39 The Group has following un-hedged exposures in foreign currencies

	Year ended 31 March 2020		Year ended 31 March 2019	
	Foreign currency in Lakhs	Amount in Rs. Lakhs	Foreign currency in Lakhs	Amount in Rs. Lakhs
Trade Receivables	USD 5.52	416.54	USD 5.52	381.97
Trade Receivables	-	-	SAR 0.04	0.75
Trade Receivables	-	-	LKR 246.28	97.23
Trade Receivables	MYR 0.03	0.53	MYR 0.06	0.93
Trade Receivables	-	-	QAR 0.21	3.99
Trade Receivables	AED 0.32	6.60	AED 0.17	3.16
Trade Receivables	SGD 0.01	0.45	SGD 0.01	0.59
Trade Receivables	-	-	OMR 0.01	2.53
Trade Receivables	NPR 14.29	9.00	-	-
Trade Payables	USD 0.14	6.60	USD 1.65	114.65

40 **Basic and diluted earnings per share:**

	Year ended 31 March 2020	Year ended 31 March 2019
Number of equity shares at the beginning of the year	1,74,10,492	1,74,10,492
Number of equity shares at the end of the year	1,74,26,012	1,74,10,492
Weighted average number of equity shares outstanding during the year (A)	1,74,21,054	1,74,10,492
Weighted average number of equity shares held in controlled trust (B)	50,285	-
Weighted average number of equity shares for computing basic earnings per share [C= (A-B)]	1,73,70,769	1,74,10,492
Weighted average number of potential equity shares on account of employee stock options (D)	26,385	14,121
Weighted average number of equity shares for computing diluted earnings per share [E= (C+D)]	1,73,97,154	1,74,24,613
Nominal value of each equity share (Rs.)	10	10
Profit after tax available for equity shareholders (Rs.in Lakhs) [F]	4,393.84	5,432.66
Basic earnings per share (Rs.) [F/C]	25.29	31.20
Diluted earnings per share (Rs.) [F/E]	25.26	31.18

(Amount in Rupees lakhs, except otherwise stated)

41 **Segment Information**

(a) **Description of segments and principal activities**

The Group's Chief Operating Decision Maker ('CODM') examines the Group's performance and has identified three reportable segments of its business.

Music : The Group is primarily engaged in the business of manufacturing and sale of Music storage device viz. Carvaan, Music Card etc. and dealing with related music rights

Film/TV Serials : The Group is also engaged in production and sale/telecast/broadcast of films/TV Serials, pre-recorded programmes and dealing in film rights

Publication : Group also publishes weekly current affairs magazine 'OPEN' through its publication business

The segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statement. Also the group's borrowings (including finance costs and interest income), income taxes and investments are managed at head office and are not allocated to operating segments

Segment Revenue is measured in the same way as in the Statement of Profit and Loss

Segment assets and liabilities are measured in the same way as in the consolidated financial statements. These assets are allocated based on the operations of the segment and the physical location of the assets

(b) **Information about reportable segments**

Particulars	Year ended 31 March 2020				Year ended 31 March 2019			
	Music	Films/TV Serials	Publication	Total	Music	Films/TV Serials	Publication	Total
Segment revenue - External sales and licence fees - Intersegment sales and licence fees	44,434.49 -	7,025.00 -	688.00 -	52,147.49 -	48,968.55 -	4,764.59 -	738.84 -	54,471.98 -
Total segment revenue	44,434.49	7,025.00	688.00	52,147.49	48,968.55	4,764.59	738.84	54,471.98

Particulars	Year ended 31 March 2020				Year ended 31 March 2019			
	Music	Films/TV Serials	Publication	Total	Music	Films/TV Serials	Publication	Total
Segment result	9,055.51	915.11	(1,291.80)	8,678.82	12,278.02	(32.37)	(1,029.62)	11,216.03
Reconciliation to profit before tax								
Finance costs				(671.47)				(656.03)
Other unallocated expenditure (net of unallocated income)				(1,972.58)				(2,092.03)
Profit before taxation				6,034.77				8,467.97
Taxes				(1,685.32)				(3,035.31)
Profit after Taxes				4,349.45				5,432.66

Particulars	Year ended 31 March 2020					Year ended 31 March 2019				
	Music	Films/TV Serials	Publication	Unallocated	Total	Music	Films/TV Serials	Publication	Unallocated	Total
Segment depreciation and amortisation	372.75	66.54	18.89	5.58	463.76	287.19	14.52	30.80		332.51
Non cash expenses*					463.76					332.51

*There are no other significant non-cash expenditure other than depreciation and amortisation

Particulars	As at 31 March 2020				As at 31 March 2019			
	Music	Films/TV Serials	Publication	Total	Music	Films/TV Serials	Publication	Total
Segment assets	42,878.18	5,489.14	466.19	48,833.51	45,015.30	5,340.33	517.00	50,872.63
Reconciliation to total assets								
Unallocated assets				13,141.67				20,007.55
Total assets				61,975.18				70,880.18

Particulars	Year ended 31 March 2020					Year ended 31 March 2019				
	Music	Films/TV Serials	Publication	Unallocated	Total	Music	Films/TV Serials	Publication	Unallocated	Total
Addition to non current assets other than financial assets	734.19	5.42	1.07	125.94	866.62	2,108.92	6.76	3.15	-	2,118.83

Particulars	As at 31 March 2020				As at 31 March 2019			
	Music	Films/TV Serials	Publication	Total	Music	Films/TV Serials	Publication	Total
Segment liabilities	14,373.45	826.56	297.86	15,497.87	12,644.74	824.16	326.34	13,795.24
Reconciliation to total liabilities								
Unallocated liabilities				6,373.38				14,014.81
Total liabilities				21,871.25				27,810.05

(c) **Additional information by geographies**

The amount of revenue from external customers broken down by the location of the customers is shown in table below-

Revenue from external customers	Year ended 31 March 2020	Year ended 31 March 2019
India	41,429.65	46,108.15
Other Countries	10,717.84	8,363.83
Total	52,147.49	54,471.98

The total of segment assets broken down by location of the assets is shown below-

Non-current assets*	As at 31 March 2020	As at 31 March 2019
India	22,156.26	21,680.47
Other Countries	-	-
Total	22,156.26	21,680.47

* Excluding financial instruments, etc. as defined under Indian Accounting Standard (Ind AS) 108 on 'Operating Segment' notified in the Act.

(d) **Revenue from major customers**

The Group is not reliant on revenues from transactions with any single external customer and does not receive 10% or more of its revenues from transactions with any single external customer

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KOLKATA
Chartered Accountants

SAREGAMA INDIA LTD.

42 Additional information pursuant to paragraph 2 of Division II of schedule III to the Companies Act 2013

Name of the Entity	As at 31 March 2020 Net Assets, i.e. total assets minus total liabilities		2019-20 Share in Profit or Loss		2019-20 Share in Other Comprehensive Income		2019-20 Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount	As % of Consolidated profit or loss	Amount	As % of Consolidated Other comprehensive income	Amount	As % of Consolidated Total comprehensive income	Amount
Parent								
Saregama India Limited	103.18%	41,378.51	112.64%	4,899.27	81.83%	(5,321.03)	19.59%	(421.76)
Subsidiaries								
Indian								
Kolkata Metro Networks Limited	3.53%	1,415.02	1.30%	56.44	18.37%	(1,194.43)	52.86%	(1,137.99)
Open Media Network Private Limited	0.51%	205.62	-6.46%	(280.94)	0.07%	(4.59)	13.26%	(285.53)
Foreign								
RPG Global Music Limited	-1.11%	(445.46)	-0.04%	(1.90)	-	-	0.09%	(1.90)
Saregama Limited (Formerly Saregama Plc.)	-1.45%	(581.42)	-3.31%	(143.80)	-0.37%	24.02	5.55%	(119.78)
Saregama FZE	0.28%	113.01	-2.89%	(125.72)	0.21%	(13.59)	6.47%	(139.31)
Non-Controlling Interest	0.56%	224.86	-1.02%	(44.39)	-0.11%	7.42	1.73%	(36.97)
Adjustment arising out of consolidation	-5.50%	(2,206.21)	-0.22%	(9.51)	-	-	0.45%	(9.51)
Total	100%	40,103.93	100%	4,349.45	100%	(6,502.20)	100%	(2,152.75)

43 On 2 April 2018, there was a fire in the godown (of third party service provider) damaging stocks of the Parent Company. As per the best estimate of the management, the Parent Company had recognised insurance claim receivable as "Other Income" and the corresponding loss against of such stocks was charged off. The Parent Company has subsequently realised Rs.3,218.72 Lakhs from the insurance company on 12 April 2019 against the said claim. The impact of the above has been given in the segments results under Music segment.

44 Previous years figures have been regrouped/reclassified to conform to current year's presentation.

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: **101248W/W-100022**

Jayanta Mukhopadhyay
Partner
Membership No.: 055757
UDIN: 20055757AAAABE5687

Place : Kolkata
Date : 05 June 2020

For and on behalf of the Board of Directors of
Saregama India Limited
CIN : L22213WB1946PLC014346

Sanjiv Goenka
Chairman
DIN: 00074796

Vikram Mehra
Managing Director
DIN-03556680

Vineet Garg
Chief Financial Officer

Kamana Khetan
Company Secretary
ACS: 35161

Place : Kolkata
Date : 05 June 2020

Place : Kolkata
Date : 05 June 2020

Saregama India Limited

Statutory Audit of the Consolidated Financial Statements for the previous year 2018-19

B S R & Co. LLP

Chartered Accountants

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INDEPENDENT AUDITORS' REPORT

To the Members of Saregama India Limited

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Saregama India Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2019, the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2019, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

B S R & Co. (a partnership firm with Registration No. BA61223) converted into B S R & Co. LLP (a Limited Liability Partnership with LLP Registration No. AAB-8181) with effect from October 14, 2013

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Apollo Mills Compound
N.M. Joshi Marg, Mahalakshmi
Mumbai - 400 011

Description of Key Audit Matter

1. Revenue Recognition
See note 19 to the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
The Group derives its revenues from the sale of contractually manufactured products; licensing of music rights; Income from films and television serials including free commercial time. The recognition of revenue from license fees has been considered to be critical since the Group has entered into complex multiple contracts with the customers and the revenue gets recognised based on the logs/ information received from such customers. The complexity of these contractual terms also requires the Group to make judgments in assessing whether it has fulfilled all its obligations under the contracts before recognizing the revenue.	Our audit procedures involved the following: • reviewed the terms of significant contracts to identify and understand the performance obligations under these contracts; • considered the appropriateness of the revenue recognition policies of the Group in respect of those contracts in light of the requirements of Ind AS 115; • assessed the reasonableness of the timing and amount of revenue recognised for the year ended 31 March 2019 in light of these policies and requirements of Ind AS 115; • tested the design and implementation of controls over the various revenue streams; and • performed detailed substantive procedures with regard to the significant revenue streams by agreeing to third party information, logs received from the customers and other supporting information. For transactions close to the yearend, we tested to ensure that cut-off procedures were appropriately applied. Based on the above procedures performed, we concluded that the recognition of revenue was appropriate.

2. Dealer's incentive
See note 19 to the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
Revenue of the Group is measured taking into account, among other things, the incentives paid/payable to the dealers on the Group's products sold to them as per contractual terms. Due to the multitude and variety of such contractual terms, the estimation of incentives recognised based on sales made during the year needs judgment on the management's part and is considered to be complex. We determined this matter to be a key audit issue due to the variety of incentives offered, the absolute amount of such incentives, as well as the complexity associated with the estimates that management has to make, to record this.	Our audit procedures included considering the appropriateness of the revenue recognition policies of the Group, including those relating to incentives and assessing compliance with such policies in terms of applicable accounting standards. We tested the effectiveness of the Group's controls over calculation of incentives and the corresponding payment/accrual. Based on historical data used by the Group to estimate accruals for dealers' incentive, we assessed the permanence of such methods used, the relevance and reliability of data used for estimation and the calculations applied. We also compared amounts paid with previously recognized corresponding provisions to assess the quality of the management estimates. Based on evidence obtained, we concluded that management's process for identifying and quantifying incentive provisions and recognition of revenue was appropriate.

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Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the financial statements and our auditors' report thereon.

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

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

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each Company and for preventing and detecting frauds and other irregularities; the 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company 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.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that

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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 consolidated 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group (company and subsidiaries) to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in the section titled 'Other Matters' in this audit report.

  We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among

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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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements/financial information of five subsidiaries, whose financial statements/financial information reflect total assets of Rs.4,820.88 Lakhs as at 31 March 2019, total revenues of Rs.3,435.77 Lakhs and net cash inflows amounting to Rs.69.55 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements/financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the audit reports of the other auditors.

Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

A. As required by section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

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b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2019 from being appointed as a director in terms of section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, as noted in the 'Other Matters' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2019 on the consolidated financial position of the Group. Refer Note 37 to the consolidated financial statements;

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2019;

iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2019; and

iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31 March 2019.

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C. With respect to the matter to be included in the Auditor's report under section 197(16):

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies to its directors is in accordance with the provisions of Section 197 of the Act read with Schedule V to the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies is not in excess of the limit laid down under Section 197 of the Act read with Schedule V to the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

B S R & Co. LLP
Kolkata

Jayanta Mukhopadhyay
Partner
Membership No. 055757

Place: Kolkata
Date: 08 May 2019

Annexure A to the Independent Auditors' report on the consolidated financial statements of Saregama India Limited for the year ended 31 March 2019

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph (A(f)) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2019, we have audited the internal financial controls with reference to consolidated financial statements of Saregama India Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated

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financial statements were established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

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

Inherent Limitations of Internal Financial controls with Reference to Consolidated Financial Statements

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

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Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to two subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

B S R & Co. LLP
Kolkata

Jayanta Mukhopadhyay
Partner
Membership No. 055757

Place: Kolkata
Date: 08 May 2019

SAREGAMA INDIA LIMITED
Consolidated Balance Sheet as at 31 March 2019
(Amount in Rupees lakhs, except otherwise stated)

Particulars	Notes	As at 31 March 2019	As at 31 March 2018
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	3	**20,570.52**	18,838.51
(b) Investment properties	4	**236.12**	241.65
(c) Intangible assets	5	**712.85**	653.14
(d) Investment accounted for using equity method	35(b)	**-**	-
(e) Financial assets			
(i) Investments	6.1	**14,834.05**	15,093.50
(ii) Loans	6.2	**492.22**	399.90
(iii) Other financial assets	6.3	**0.25**	0.25
(f) Other non-current assets	7	**160.98**	1,122.86
Total non-current assets		**37,006.99**	36,349.81
(2) Current assets			
(a) Inventories	8	**9,629.57**	4,931.20
(b) Financial assets			
(i) Trade receivables	9.1	**10,974.55**	7,303.02
(ii) Cash and cash equivalents	9.2	**500.21**	921.71
(iii) Bank balances other than (ii) above	9.3	**178.58**	161.79
(iv) Loans	9.4	**16.34**	14.63
(v) Other financial assets	9.5	**5.17**	4.91
(c) Current tax assets (net)	10	**3,490.55**	4,233.95
(d) Other current assets	11	**9,078.22**	3,918.21
Total current assets		**33,873.19**	21,489.42
TOTAL ASSETS		**70,880.18**	57,839.23
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	12.1	**1,741.05**	1,741.05
(b) Other equity	12.2	**41,067.25**	36,430.35
Equity Attributable to Owners of the Company		**42,808.30**	38,171.40
Non-controlling interest		**261.83**	226.54
Total equity		**43,070.13**	38,397.94
Liabilities			
(1) Non-current liabilities			
(a) Employee benefit obligations	13	**283.55**	242.00
(b) Deferred tax liabilities (net)	14	**5,804.81**	4,793.22
Total non-current liabilities		**6,088.36**	5,035.22
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	15.1	**6,376.53**	1,587.29
(ii) Trade payables			
a) Total outstanding dues of micro enterprises and small enterprises	15.2	**1.91**	0.94
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	15.2	**5,643.26**	4,039.56
(iii) Other financial liabilities	15.3	**4,212.94**	3,593.91
(b) Other current liabilities	16	**1,831.55**	1,491.48
(c) Provisions	17	**3,567.38**	3,613.56
(d) Employee benefit obligations	18	**88.12**	79.33
Total current liabilities		**21,721.69**	14,406.07
TOTAL LIABILITIES		**27,810.05**	19,441.29
TOTAL EQUITY AND LIABILITIES		**70,880.18**	57,839.23

The accompanying notes 1 to 46 are an integral part of these consolidated financial statements
As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Jayanta Mukhopadhyay
Partner
Membership No.: 055757

Place: Kolkata
Date: 08 May 2019

For and on behalf of the Board of Directors of
Saregama India Limited
CIN : L22213WB1946PLC014346

Sanjiv Goenka
Chairman
DIN: 00074796

Vikram Mehra
Managing Director
DIN: 03556680

Vineet Garg
Chief Financial Officer

Kamana Khetan
Company Secretary
ACS: 35161

Place: Kolkata
Date: 08 May 2019

Place: Kolkata
Date: 08 May 2019

SAREGAMA INDIA LIMITED
Consolidated Statement of Profit and Loss for the year ended 31 March 2019
(Amount in Rupees lakhs, except otherwise stated)

	Particulars	Notes	Year ended 31 March 2019	Year ended 31 March 2018
I	Revenue from operations	19	**54,471.98**	35,658.62
II	Other income	20	**5,641.02**	1,019.24
III	**Total income (I+II)**		**60,113.00**	36,677.86
IV	**Expenses**			
	Cost of material consumed/ Contract manufacturing charges	21	**22,160.81**	10,835.66
	Cost of production of films and television serials	22	**4,882.90**	5,222.52
	Changes in inventories of finished goods and work-in-progress [(increase)/decrease]	23	**(4,703.44)**	(3,911.62)
	Employee benefits expense	24	**5,651.33**	6,006.85
	Finance costs	25	**656.03**	336.69
	Depreciation and amortisation expense	26	**332.51**	415.21
	Other expenses	27	**22,664.89**	13,880.16
	Total expenses (IV)		**51,645.03**	32,785.47
V	**Profit before tax (III-IV)**		**8,467.97**	3,892.39
VI	Tax expense			
	- Current tax	28	**2,130.51**	981.56
	- Deferred tax [charge/(credit)]	14	**904.80**	80.66
	Total tax expense (VI)		**3,035.31**	1,062.22
VII	**Profit for the year (V-VI)**		**5,432.66**	2,830.17
VIII	**Other comprehensive income**			
	Items that will be reclassified to profit or loss:			
	(a) Exchange differences on translation of foreign operations		**65.83**	(35.98)
	Items that will not be reclassified to profit or loss:			
	(a) Remeasurements of post-employment benefit obligations		**34.03**	25.04
	(b) Changes in fair value of equity instruments designated at FVOCI		**(259.45)**	1,932.01
	(c) Income tax relating to items that will not be reclassified subsequently to profit or loss	14	**23.07**	(284.94)
	Other comprehensive income for the year, net of tax (VIII)		**(136.52)**	1,636.13
IX	**Total comprehensive income for the year (VII+VIII)**		**5,296.14**	4,466.30
	Profit for the year attributable to :-			
	(a) Owners of the Company		**5,411.34**	2,851.48
	(b) Non-Controlling Interest		**21.32**	(21.31)
	Other comprehensive income for the year attributable to :-			
	(a) Owners of the Company		**(150.49)**	1,644.62
	(b) Non-Controlling Interest		**13.97**	(8.49)
	Total comprehensive income for the year attributable to :-			
	(a) Owners of the Company		**5,260.85**	4,496.10
	(b) Non-Controlling Interest		**35.29**	(29.80)
X	**Earnings per equity share:**[Nominal value per share **Rs.10** (previous year- Rs. 10)]			
	Basic (Rs.)	39	**31.20**	16.26
	Diluted (Rs.)	39	**31.18**	16.24

The accompanying notes 1 to 46 are an integral part of these consolidated financial statements
As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Jayanta Mukhopadhyay
Partner
Membership No.: 055757

Place: Kolkata
Date: 08 May 2019

For and on behalf of the Board of Directors of
Saregama India Limited
CIN : L22213WB1946PLC014346

Sanjiv Goenka
Chairman
DIN: 00074796

Vikram Mehra
Managing Director
DIN: 03556680

Vineet Garg
Chief Financial Officer

Kamana Khetan
Company Secretary
ACS: 35161

Place: Kolkata
Date: 08 May 2019

Place: Kolkata
Date: 08 May 2019

SAREGAMA INDIA LIMITED
Consolidated Statement of changes in equity for the year ended 31 March 2019
(Amount in Rupees lakhs, except otherwise stated)

A. Equity share capital

Description	Number of shares	Amount
As at 1 April 2017	17,402,938	1,740.29
Changes in equity share capital	7,554	0.76
As at 31 March 2018	**17,410,492**	**1,741.05**
Changes in equity share capital	-	-
As at 31 March 2019	**17,410,492**	**1,741.05**

B. Other equity

Particulars	Reserve and surplus					Item of Other Comprehensive Income (OCI)			Non controlling Interest	Total other equity
	Capital reserve	General reserve	Securities premium	Share options outstanding reserve	Retained earnings	Revaluation surplus	Equity instruments through OCI	Other items of other comprehensive income (FCTR)		
Balance at 1 April 2017	55.19	693.95	10,249.40	8.34	2,700.06	10,357.19	8,110.36	60.41	256.34	32,491.24
Profit for the year	-	-	-	-	2,851.48	-	-	-	(21.31)	2,830.17
Other comprehensive income (net of tax)	-	-	-	-	16.38	(40.75)	1,696.49	(27.49)	(8.49)	1,636.13
Total comprehensive income for the year	-	-	-	-	2,867.86	(40.75)	1,696.49	(27.49)	(29.80)	4,466.30
Issue of equity shares under Saregama Employee Stock Option Scheme 2013	-	-	3.32	-	-	-	-	-	-	3.32
Final dividend on equity shares for the financial year 2016-17	-	-	-	-	(261.04)	-	-	-	-	(261.04)
Dividend distribution tax on above	-	-	-	-	(53.14)	-	-	-	-	(53.14)
Recognition of share based payment expense (net)	-	-	-	6.03	-	-	-	-	-	6.03
Deferred Tax on revaluation of property, plant and equipment	-	-	-	-	-	1.76	-	-	-	1.76
Transfer from share option reserve on lapse	-	-	-	-	2.41	-	-	-	-	2.41
Balance at 31 March 2018	55.19	693.95	10,252.72	14.37	5,256.13	10,318.20	9,806.85	32.92	226.54	36,656.89

Particulars	**Reserve and surplus**					**Item of Other Comprehensive Income (OCI)**			**Non controlling Interest**	**Total other equity**
	Capital reserve	**General reserve**	**Securities premium**	**Share options outstanding reserve**	**Retained earnings**	**Revaluation surplus**	**Equity instruments through OCI**	**Other items of other comprehensive income (FCTR)**		
Balance at 1 April 2018	**55.19**	**693.95**	**10,252.72**	**14.37**	**5,256.15**	**10,318.20**	**9,806.85**	**32.92**	**226.54**	**36,656.89**
Profit for the year	-	-	-	-	**5,411.34**	-	-	-	**21.32**	**5,432.66**
Other comprehensive income (net of tax)	-	-	-	-	**23.97**	-	**(226.32)**	**51.86**	**13.97**	**(136.52)**
Total comprehensive income for the year	-	-	-	-	**5,435.31**	-	**(226.32)**	**51.86**	**35.29**	**5,296.14**
Final dividend on equity shares for the Financial year 2017-18	-	-	-	-	**(522.31)**	-	-	-	-	**(522.31)**
Dividend distribution tax on above	-	-	-	-	**(107.36)**	-	-	-	-	**(107.36)**
Recognition of share based payment expense (net)	-	-	-	**(0.05)**	-	-	-	-	-	**(0.05)**
Deferred Tax on revaluation of property, plant and equipment	-	-	-	-	-	**2.67**	-	-	-	**2.67**
Transfer from share option reserve on lapse	-	-	-	-	**3.10**	-	-	-	-	**3.10**
Balance as at 31 March 2019	**55.19**	**693.95**	**10,252.72**	**14.32**	**10,064.89**	**10,320.87**	**9,580.53**	**84.78**	**261.83**	**41,329.08**

The description, nature and purpose of each reserve within other equity are as follows:

(i) Capital reserve : The Group recognises profit or loss on purchase, sale, issue or cancellation of the Group's own equity instruments to Capital Reserve. The Group also recognises gains or losses on transaction with Non-Controlling Interest which do not result in loss of control over subsidiary in the capital reserve.

(ii) General reserve : Under the erstwhile Companies Act 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, 2013 (the "Companies Act"), the requirement to mandatory transfer a specified percentage of net profit to general reserve has been withdrawn. The amount credited to the reserve can be utilised by the Company in accordance with the provisions of the Companies Act. There is no movement in general reserve during the current and previous year.

(iii) Securities premium : This reserve represents the premium on issue of shares and can be utilised in accordance with the provisions of the Companies Act.

(iv) Revaluation surplus : This reserve represents surplus on revaluation of Property, plant and equipment (land) and will be transferred directly to retained earning when the asset is derecognised.

(v) Share options outstanding reserve : This reserve relates to stock options granted by the Parent Company to eligible employees under Saregama Employee Stock Option Scheme 2013. This reserve is transferred to securities premium or retained earnings on exercise or cancellations of vested options.

(vi) Retained earnings : This reserve represents the cumulative profits of the Group and effects of remeasurement of defined benefit obligations. This Reserve can be utilised in accordance with the provisions of the Companies Act.

(vii) Equity instruments through OCI (FVOCI) : This reserve represents the cumulative gains (net of losses) arising on the revaluation of Equity Instruments at fair value though Other Comprehensive Income (OCI), net of amounts reclassified, if any, to Retained earnings when those instruments are disposed of.

(viii) Foreign currency translation reserve : Exchange difference arising from translation of foreign operations are recognised in other comprehensive income as described in accounting policies [Refer note 1(a)(vi)] and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss on disposal of the net investment.

The accompanying notes 1 to 46 are an integral part of these consolidated financial statements
As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Jayanta Mukhopadhyay
Partner
Membership No : 055757

Place: Kolkata
Date: 08 May 2019

For and on behalf of the Board of Directors of
Saregama India Limited
CIN : L22213WB1946PLC014346

Sanjiv Goenka
Chairman
DIN: 00074796

Vikram Mehra
Managing Director
DIN: 03556680

Vineet Garg
Chief Financial Officer

Kamana Khetan
Company Secretary
ACS: 35161

Place: Kolkata
Date: 08 May 2019

Place: Kolkata
Date: 08 May 2019

B S R & Co. LLP Kolkata

SAREGAMA INDIA LIMITED KOLKATA

SAREGAMA INDIA LIMITED
Consolidated Statement of Cash Flow for the year ended 31 March 2019
(Amount in Rupees lakhs, except otherwise stated)

	Year ended 31 March 2019		Year ended 31 March 2018	
A. Cash Flow from Operating Activities				
Profit Before Tax		**8,467.97**		3,892 39
Adjustments for:				
Depreciation and amortisation expense	**332.51**		415 21	
Allowance for expected credit loss	**(415.67)**		610.61	
Finance costs	**656.03**		336 69	
Liabilities/Provisions no longer required written back	**(1,134.80)**		(359 06)	
Provision for doubtful debts/ advances no longer required written back	**(9.35)**		(30 82)	
Interest income	**(879.97)**		(353 87)	
Share based payment expense	**3.05**		8 44	
Bad debts/advances written off	**24.81**		54 30	
Loss on disposal of Property, plant and equipment	**0.21**		-	
Profit on sale of Property, plant and equipment	**(0.88)**		(0 24)	
Profit on sale of Investment in Mutual Fund	**(0.43)**		-	
Exchange differences on translation of foreign operations	**65.83**		(35 98)	
Dividend income from equity investments designated at FVOCI	**(270.40)**		(185 40)	
		(1,629.06)		459 88
Operating profit before Working Capital Changes		**6,838.91**		4,352 27
Changes in working capital				
(Increase) in Other financial assets, Other current assets, Loans, Other non-current assets	**(5,181.77)**		(2,900 16)	
Increase in Other financial liabilities, Provisions, Other current liabilities	**2,154.69**		4,053 57	
Increase in Trade payables	**1,739.67**		453 04	
Increase/(Decrease) in Employee benefit obligations	**84.37**		(36 69)	
(Increase) in Trade receivables	**(3,238.96)**		(2,742 45)	
(Increase) in Inventories	**(4,698.37)**		(3,897 60)	
(Increase) in Other bank balances	**(16.79)**		(154 52)	
		(9,157.16)		(5,224 81)
Cash used in operations		**(2,318.25)**		(872 54)
Income taxes paid (net of refund)		**(1,254.57)**		(1,024 16)
Net cash generated from Operating Activities		**(3,572.82)**		(1,896 70)
B. Cash Flow from Investing Activities				
Purchase of Property, plant and equipment	**(1,210.45)**		(264 98)	
Sale of Property, plant and equipment	**0.80**		0 24	
Interest received	**303.90**		55 86	
Dividend income from equity investments	**270.40**		185 40	
Investment in Mutual funds	**(200.00)**		-	
Proceeds from sale of Investment in Mutual funds	**200.43**		-	
Net cash used in Investing Activities		**(634.92)**		(23 48)
C. Cash Flow from Financing Activities				
Proceeds from Short term borrowings	**4,789.24**		1,291 74	
Proceeds form issue of Share capital	-		0 76	
Share Premium on issue of shares	-		3 32	
Dividend paid	**(515.30)**		(259 10)	
Dividend distribution tax paid	**(107.36)**		(53 14)	
Interest paid	**(380.81)**		(72 81)	
Net cash generated from Financing Activities		**3,785.77**		910 77
Net decrease in cash and cash equivalents (A+B+C)		**(421.97)**		(1,009 41)
Cash and Cash Equivalents at the beginning of the year (refer note 9 2)		**921.71**		1,895 14
Effect of exchange rate on translation of foreign currency cash and cash equivalents		**0.47**		35 98
Cash and Cash Equivalents at the end of the year (refer note 9 2)		**500.21**		921 71

SAREGAMA INDIA LIMITED
Consolidated Statement of Cash Flow for the year ended 31 March 2019 (continued)
(Amount in Rupees lakhs, except otherwise stated)

Notes:

1 The above Cash Flow Statement has been prepared under the Indirect Method as set out in Ind AS - 7 "Statement of Cash Flows"

2 Previous years figures have been regrouped/reclassified to conform to current year's presentation

3 Reconciliation of liabilities from financing activities

	Balance as at 1 April 2018	**Cash flows**	**Non-cash changes**	**Balance as at 31 March 2019**
Borrowings	1,587 29	4,789 24	-	6,376 53
Total liabilities from financing activities	**1,587.29**	**4,789.24**	-	**6,376.53**

	Balance as at 1 April 2017	Cash flows	Non-cash changes	Balance as at 31 March 2018
Borrowings	295 55	1,291 74		1,587 29
Total liabilities from financing activities	295 55	1,291 74	-	1,587 29

The accompanying notes 1 to 46 are an integral part of these consolidated financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No : 101248W/W-100022

Jayanta Mukhopadhyay
Partner
Membership No : 055757

Place : Kolkata
Date : 08 May 2019

For and on behalf of the Board of Directors of
Saregama India Limited
CIN : L22213WB1946PLC014346

Sanjiv Goenka
Chairman
DIN: 00074796

Vikram Mehra
Managing Director
DIN-03556680

Vineet Garg
Chief Financial Officer

Kamana Khetan
Company Secretary
ACS: 35161

Place : Kolkata
Date : 08 May 2019

Place : Kolkata
Date : 08 May 2019

Background

Saregama India Limited ("the Company") is a Company limited by shares, incorporated and domiciled in India. Saregama India Limited (Parent Company) and its subsidiaries (hereinafter referred as "Group") is primarily engaged in the business of manufacturing and sale of Music storage device viz. Carvaan, Mini Carvaan, Music Card, Audio Compact Discs, Digital Versatile Discs and dealing with related music rights. The Group is also engaged in production and sale/telecast/broadcast of films/Tv Serials, pre-recorded programmes and dealing in film rights, printing of printed materials and marketing support services as detailed under segment information in Note 40. Equity shares of the Parent Company are listed on the Bombay Stock Exchange (BSE), the National Stock Exchange (NSE) and the Calcutta Stock Exchange (CSE). The registered office of the Parent Company is located in Kolkata, West Bengal, India.

The consolidated financials statements were approved and authorised for issue with the resolution of the Board of Directors on 08 May 2019.

1 Significant Accounting Policies

The significant accounting policies applied by the Group in the preparation of its consolidated financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements, unless otherwise indicated.

(a) Basis of the Preparation

(i) Compliance with Ind AS

These Consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the 'Act') [Companies (Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

(ii) Basis of measurement

(a) Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities (including derivative instruments) that is measured at fair value;
- Net Defined benefit (assets)/liability - Fair value of plan assets less present value of defined benefit obligations; and
- Share based payments.

(b) Functional and presentation currency

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The consolidated financial statements are presented in Indian Rupee (Rs.), which is the Group's functional and presentation currency.

(iii) Current Versus Non-current Classification

All assets and liabilities have been classified as current or non current as per the Group's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013 and Ind AS 1 - Presentation of financial statement based on the nature of products / service and the time between the acquisition of assets for processing / providing the services and their realisation in cash and cash equivalents. The Group has ascertained its operating cycle as 12 months for the purpose of current, non current classification of assets and liabilities.

Assets

An asset is classified as current when it satisfies any of the following criteria:

(a) it is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle;
(b) it is held primarily for the purpose of being traded;
(c) it is expected to be realised within 12 months after the reporting date; or
(d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.
All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

(a) it is expected to be settled in the Group's normal operating cycle;
(b) it is held primarily for the purpose of being traded;
(c) it is due to be settled within 12 months after the reporting date; or
(d) the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.
All other liabilities are classified as non-current.
Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(iv) Principles of consolidation and equity accounting

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

Joint arrangements

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligation of each investors, rather than the legal structure of the joint arrangement. The Group has one joint venture, Saregama Regency Optimedia Private Limited (SROPL), which is under liquidation with effect from 19 September 2016. Accordingly, this entiy has not been consolidated by the Group [Refer note 35(b)].

Joint ventures

Interest in joint ventures are accounted for using the equity method (see below), after initially being recognised at cost in the consolidated balance sheet.

Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its joint venture are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provide evidence of an impairment of the asset transferred. Accounting policies of equity accounted investee have been changed where necessary to ensure consistency with the policies adopted by the group.

(v) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The chief operating decision maker is responsible for allocating resources and assessing performance of the operating segments and has been identified as the Chief Financial Officer of the Group. Refer note 40 for segment information presented.

(vi) Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian Rupee (Rs.), which is Parent Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in profit or loss.

Foreign currency non-monetary items carried in terms of historical cost are reported using the exchange rate at the date of the transactions.

Group Companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into presentation currency as follows:

- Assets and liabilities are translated at the closing rate at the date of that balance sheet.
- Income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- All resulting exchange differences are recognised in other comprehensive income.

SAREGAMA INDIA LIMITED KOLKATA

1 Significant Accounting Policies (continued)

(b) Revenue recognition

Effective 1 April 2018, the Group has applied Ind AS 115, Revenue from Contracts with Customers, which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Group has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. 1 April 2018). The comparative information in the statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18. Refer note 1(b) of the Consolidated Financial Statement – Significant accounting policies – Revenue recognition in the Consolidated Financial Statement of the Group for the year ended 31 March 2018, for the revenue recognition policy as per Ind AS 18. The impact of the adoption of the standard on the consolidated financial statements of the Group is insignificant.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those products or services.

- Revenue from the sale of products is recognised at the point in time when control is transferred to the customer. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers. For sale of product on a bill-and hold basis, Group recognises revenue when it satisfies its performance obligation to transfer the control of a product to the customer. For a customer to have obtained control of a product in a bill-and-hold arrangement, Group has applied the guidance as set out in Ind AS 115.

- Revenue from Music licensing where the customer obtains a "right to use" is recognized at the time the license is made available to the customer. Revenue from licenses where the customer obtains a "right to access" is recognized over the access period.

- Revenue from the sale of television software is recognised upfront at the point in time when the software is delivered to the customer.

- Revenue from sale of free commercial time (net of trade discount, as applicable) are recognised when the related advertisement or commercials appears before the public, i.e. on telecast.

- Revenue from theatrical distribution is recognised on exhibition of films. In case of distribution through theatres, revenue is recognised on the basis of box office reports received from various exhibitors. Contracted minimum guarantees are recognised on theatrical release.

- Revenue from Sale of films rights are recognised on assignment of such rights as per terms of the sale/licencing agreements.

- Revenue from current affairs and features magazine is recognised in the period in which the magazines are published and are accounted for net of commission and discounts. Revenue from subscription to the Company's print publications is recognised as earned, prorata on a per issue basis over the subscription period.

The billing schedules agreed with customers include periodic performance based payments and / or milestone based progress payments. Invoices are payable within contractually agreed credit period.

Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues.
Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Use of significant judgements in revenue recognition :

- The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as how customer consumes benefits as services are rendered, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc. Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, price concessions and incentives.

Interest income

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable.

Dividend income

Dividend income from investments is recognised when the shareholder's rights to receive payment have been established.

Rental income

Rental income from investment properties and subletting of properties is recognised on a straight line basis over the term of the relevant leases.

(c) Property, Plant and Equipment - (PPE)

All items of property, plant and equipment other than freehold land are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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 Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to statement of profit or loss during the reporting period in which they are incurred.

Revaluation of Land is made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet date. When the fair value differs materially from its carrying amount, the carrying amount is adjusted to the revalued amount. The fair value is determined based on appraisal undertaken by a professionally qualified valuer.

Depreciation method, estimated useful lives and residual values

Depreciation is calculated on a pro-rata basis using the straight-line method to allocate their cost, net of their estimated residual values, over the estimated useful lives of the asset as prescribed under Schedule II to the Companies Act, 2013.

The useful lives, residual values and the method of depreciation of property, plant and equipment are reviewed, and adjusted if appropriate, at the end of each reporting period.
An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amounts.
Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in profit or loss within 'Other Income'/'Other Expenses'.
Advances paid towards the cost of property, plant and equipment outstanding at each balance sheet date is classified as 'Capital advances' under other non- current assets.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

(d) Investment properties

Properties that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that the future economic benefits associated with the expenditure will flow to the Group and the cost of item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

Investment properties are depreciated using the straight-line method over their estimated useful lives of the assets as prescribed under Schedule II to the Companies Act, 2013.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its investment properties recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of investment properties.

B S R & Co. LLP Kolkata

SAREGAMA INDIA LIMITED KOLKATA

1 Significant Accounting Policies (continued)

(e) Intangible assets

Intangible assets has a finite useful life and are stated at cost less accumulated amortisation and accumulated impairment losses, if any.

(i) Music copyrights

Outright acquisition of music copyrights wherein future economic benefits are established are capitalised. They have finite useful lives and are subsequently carried at cost less accumulated amortisation and impairment losses.

(ii) Computer software

Software for internal use, which is primarily acquired from third-party vendors is capitalised. Subsequent costs associated with maintaining such software are recognised as expense as incurred. Cost of software includes license fees and cost of implementation/system integration services, where applicable.

Amortisation method and year

The Group amortises intangible assets with a finite useful lives using the straight-line method over the following periods:

Music Copyrights are amortised on straight line basis over a period of 1-10 years. The Group reviews the expected future revenue potential at the end of each accounting period and recognises impairment loss, where required.

Softwares are amortised on a straight line basis over a period of three years from the date of capitalisation.

Advances paid towards the cost of intangible assets outstanding at each balance sheet date is classified as 'Capital advances' under other non- current assets.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its intangible assets recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

(f) Impairment of non-financial assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units).

(g) Leases

As a Lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a Lessor

Lease income from operating leases where the Group is a lessor is recognised as income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

(h) Inventories

Inventories are valued at lower of cost and net realisable value. The cost is determined on weighted average basis, and includes, where applicable, appropriate share of overheads. Provision is made for obsolete / slow moving / defective stocks, where necessary. The costs of purchase of inventories comprise the purchase price, import duties and other taxes (other than those subsequently recoverable by the entity from the taxing authorities), and transport, handling and other costs directly attributable to the acquisition of finished goods, materials and services.

Television serials under production are included under 'Work-in-Progress'. Untelecasted television serials are stated at lower of cost and net expected revenue and included under 'Finished Goods'.

Digital Films under production are included under 'Work-in-Progress'. Expenses of under production films incurred till the films are ready for release are inventorised. Cost comprises acquisition / direct production cost. 10% of Cost of digital films is recognised as expense in Statement of Profit and Loss on the date of theatrical release of the Film, balance is charged of on licencing of digital rights.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(i) Investments (other than investments in subsidiaries) and other financial instruments

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss);
- those to be measured at amortised cost; and

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. In accordance with Ind AS 101, the Group had irrevocably designated its investment in equity instruments as FVOCI on the date of transition to Ind AS.

(ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Equity Instruments : The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Changes in the fair value of financial assets at fair value through profit or loss are recognised in the Statement of Profit and Loss.

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method.

(iii) Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets which are not fair valued through profit or loss. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 32(A) details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109,'Financial Instruments', which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(iv) Derecognition of financial assets

A financial asset is derecognised only when

- the Group has transferred the rights to receive cash flows from the financial asset; or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(v) Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL.

(vi) Financial liabilities through fair value through profit or loss (FVTPL)

A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

(vii)Financial liabilities at amortised cost

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit and Loss.

Any gain or loss on derecognition is also recognised in Statement of Profit and Loss.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximates fair value due to the short maturity of these instruments.

(viii) Fair value of financial instruments

In determining the fair value of financial instruments, the Group uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis and available quoted market prices. All methods of assessing fair value result in general approximation of value, and such value may never actually be realised.

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SAREGAMA INDIA LIMITED KOLKATA

1 Significant Accounting Policies (continued)

(j) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

(k) Trade receivables

Trade receivables are amounts due from customers for goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

(l) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

(m) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(n) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(o) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred, unless they are capitalised.

(p) Foreign currency transactions and translation

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. At the year-end, monetary assets and liabilities denominated in foreign currencies are restated at the year - end exchange rates. The exchange differences arising from settlement of foreign currency transactions and from the year-end restatement are recognised in profit and loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

(q) Employee benefits expense

(i) Short-term employee benefits

Liabilities for short-term employee benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as 'Employee Benefits Payable' within 'Other financial liabilities' in the Balance Sheet.

(ii) Other long-term employee benefits

The liabilities for leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured annually by actuaries as the present value of expected future benefits in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

(iii) Post-employment benefits

Defined benefit plans

The liability or asset recognised in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in 'Employee Benefits Expense' in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in Other Comprehensive Income. These are included in 'Retained Earnings' in the Statement of Changes in Equity and in the Balance Sheet.

Defined contribution plans

Contributions to Provident Fund and Superannuation Fund are accounted for on accrual basis. Contributions under Defined Contribution Plans payable in keeping with the related schemes are recognised as expenses for the period in which the employee has rendered the service.

(iv) Share-based payments

Share-based compensation benefits are provided to employees via Saregama Employee Stock Options Scheme 2013, Stock Appreciation Rights Scheme 2014 and Stock Appreciation Rights Scheme 2018.

Employee Options

The fair value of the options granted under the Saregama Employee Stock Option Scheme 2013 is recognised as an employee benefits expense with a corresponding adjustments to equity. The fair value at grant date is determined using the Black Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and risk free interest rate for the term of the option. The total amount to be expensed is determined by reference to the fair value of the options granted:

- Including any market performance conditions (e.g., the entity's share price);

- excluding the impact of any services and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining and employee of the entity over a specified time period); and

- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holdings shares for a specified period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in the statement of profit or loss, with a corresponding adjustment to equity.

Share appreciation rights

Liabilities for the Company's share appreciation rights are recognised as employee benefit expense over the relevant service period. The liabilities are remeasured to fair value at each reporting date and are presented as employee benefits obligations in the balance sheet.

B S R & Co. LLP Kolkata

SAREGAMA INDIA LIMITED KOLKATA

1 Significant Accounting Policies (continued)

(r) Royalty

Minimum Guarantee Royalty is recognised as expense within the license period or ten years, whichever is earlier. Royalty on sales, other than physical sales, is provided on the basis of management's best estimate of the expenditure required to settle the obligation. Other royalty payments are charged at agreed rates on related sales.

(s) Income tax

The income tax expense for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax credits and to unused tax losses, as applicable.

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, if any, only if it is probable that future taxable amounts will be available to utilise those temporary differences, tax credits and losses.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax are recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity, if any. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(t) Provisions and contingencies

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

A disclosure for contingent liabilities 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 the amount cannot be made.

(u) Earnings per share

(i) Basic Earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Group
- by the weighted average number of equity shares outstanding during the financial year

(ii) Diluted Earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(v) Rounding of amounts

All amounts disclosed in the Consolidated Financial Statements and notes have been rounded off to the nearest lakhs (with two places of decimal) as per the requirement of Schedule III, unless otherwise stated.

(w) Recent accounting pronouncements- Standard issued but not yet effective

I Ind AS 116, Leases

¬The Group is required to adopt Ind AS 116, Leases from 1 April 2019. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. It replaces existing leases guidance, Ind AS 17, Leases.
The Group has completed an initial assessment of the potential impact on its standalone financial statements but has not yet completed its detailed assessment. The quantitative impact of adoption of Ind AS 116 on the consolidated financial statements in the period of initial application is not reasonably estimable as at present.

i. Leases in which the Group is a lessee

The Group will recognise new assets and liabilities for its operating leases of offices, warehouse and factory facilities. The nature of expenses related to those leases will now change because the Group will recognise a depreciation charge for right-of-use assets and interest expense on lease liabilities.
Previously, the Group recognised operating lease expense on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised.
In addition, the Group will no longer recognise provisions for operating leases that it assesses to be onerous. Instead, the Group will include the payments due under the lease in its lease liability and apply Ind AS 36, Impairment of Assets to determine whether the right-of-use asset is impaired and to account for any impairment.
No significant impact is expected for the Group's finance leases.

ii. Leases in which the Group is a lessor

The Group will reassess the classification of sub-leases in which the Group is a lessor. Based on the information currently available, the Group expects that it will reclassify one sub-lease as a finance lease.
No significant impact is expected for other leases in which the Group is a lessor.

iii. Transition

The Group plans to apply Ind AS 116 initially on 1 April 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting Ind AS 116 will be recognised as an adjustment to the opening balance of retained earnings at 1 April 2019, with no restatement of comparative information.
The Group plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply Ind AS 116 to all contracts entered into before 1 April 2019 and identified as leases in accordance with Ind AS 17.

II Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Group does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.
The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Group does not expect any significant impact of the amendment on its financial statements.

III Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Group does not expect this amendment to have any significant impact on its financial statements.

IV Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Group does not expect any impact from this amendment.

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SAREGAMA INDIA LIMITED KOLKATA

1 Significant Accounting Policies (continued)

2 Critical estimates and judgements

The preparation of consolidated financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these consolidated financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed at each Balance Sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

This Note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the consolidated financial statements.

The areas involving critical estimates or judgements are:

- Employee benefits (estimation of defined benefit obligations) - Note 1(q) and Note 29

Post-employment benefits represent obligations that will be settled in future and require assumptions to estimate benefit obligations. Post-employment benefit accounting is intended to reflect the recognition of benefit costs over the employees' approximate service period, based on the terms of the plans and the investment and funding decisions made. The accounting requires the Group to make assumptions regarding variables such as discount rate and salary growth rate. Changes in these key assumptions can have a significant impact on the defined benefit obligations.

- Impairment of trade receivables — Note 1(i)(iii) and Note 32

Impairment of trade receivables is primarily estimated based on prior experience with and the past due status of receivables, based on factors that include ability to pay and payment history. The assumptions and estimates applied for determining the provision for impairment are reviewed periodically.

- Estimation of expected useful lives of property, plant and equipment - Note 1(c) and Note 3

Management reviews its estimate of useful lives of property, plant and equipment at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of property, plant and equipment.

- Contingencies - Note 1(t) and Note 37

Legal proceedings covering a range of matters are pending against the Group. Due to the uncertainty inherent in such matters, it is often difficult to predict the final outcome. The cases and claims against the Group often raise factual and legal issues that are subject to uncertainties and complexities, including the facts and circumstances of each particular case/claim, the jurisdiction and the differences in applicable law. The Group consults with legal counsel and other experts on matters related to specific litigations where considered necessary. The Group accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated. In the event an adverse outcome is possible or an estimate is not determinable, the matter is disclosed.

- Valuation of deferred tax assets - Note 1(s) and Note 14

Deferred income tax expense is calculated based on the differences between the carrying value of assets and liabilities for financial reporting purposes and their respective tax bases that are considered temporary in nature. Valuation of deferred tax assets is dependent on management's assessment of future recoverability of the deferred tax benefit. Expected recoverability may result from expected taxable income in the future, planned transactions or planned optimising measures. Economic conditions may change and lead to a different conclusion regarding recoverability.

- Fair value measurements — Notes 1(i)(viii) and Note 31

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair values are measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

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SAREGAMA INDIA LIMITED KOLKATA

SAREGAMA INDIA LIMITED
Notes to the consolidated financial statements for the year ended 31 March 2019 (continued)
(Amount in Rupees lakhs, except otherwise stated)

3 Property, plant and equipment (PPE)

Description	Gross carrying amount				Accumulated depreciation				Carrying amount (net)	
	Cost as at 1 April 2018	Additions/ adjustments	Deductions/ adjustments	Cost as at 31 March 2019	As at 1 April 2018	Depreciation for the year	Deductions/ adjustments	As at 31 March 2019	As at 31 March 2019	As at 31 March 2018
Land - Freehold	18,207.76	1,800.00	-	20,007.76	-	-	-	-	20,007.76	18,207.76
Buildings - Freehold	70.59	-	-	70.59	19.72	3.97	-	23.69	46.90	50.87
Leasehold buildings	37.71	-	-	37.71	1.60	0.80	-	2.40	35.31	36.11
Plant and equipment	3.14	-	-	3.14	1.28	1.14	-	2.42	0.72	1.86
Furniture and fixtures	427.24	18.17	-	445.41	145.84	58.06	-	203.90	241.51	281.40
Office equipment	555.68	101.67	0.36	656.99	297.32	121.58	0.23	418.67	238.32	258.36
Vehicles	10.05	-	0.49	9.56	7.90	2.15	0.49	9.56	-	2.15
Total	**19,312.17**	**1,919.84**	**0.85**	**21,231.16**	**473.66**	**187.70**	**0.72**	**660.64**	**20,570.52**	18,838.51

Description	Gross carrying amount				Accumulated depreciation				Carrying amount (net)
	Cost as at 1 April 2017	Additions/ adjustments	Deductions/ adjustments	Cost as at 31 March 2018	As at 1 April 2017	Depreciation for the year	Deductions/ adjustments	As at 31 March 2018	As at 31 March 2018
Land - Freehold	18,207.76	-	-	18,207.76	-	-	-	-	18,207.76
Buildings - Freehold	70.59	-	-	70.59	15.75	3.97	-	19.72	50.87
Leasehold buildings	37.71	-	-	37.71	0.80	0.80	-	1.60	36.11
Plant and equipment	5.21	-	2.07	3.14	1.99	1.36	2.07	1.28	1.86
Furniture and fixtures	420.52	6.91	0.19	427.24	74.09	71.94	0.19	145.84	281.40
Office equipment	467.94	92.69	4.95	555.68	150.48	151.79	4.95	297.32	258.36
Vehicles	10.05	-	-	10.05	4.20	3.70	-	7.90	2.15
Total	19,219.78	99.60	7.21	19,312.17	247.31	233.56	7.21	473.66	18,838.51

3.1 The Group has chosen the revaluation model for land and cost model for other items of PPE as its accounting policy [Refer Note 1(c)]. The carrying amount of land that would have been recognised had it been carried under the cost model is Rs.6,567.47 Lakhs.

3.2 Title deeds of the immovable properties as set out in the above table are in the name of the Parent Company.

3.3 The Parent Company has borrowed from banks which carry charge over certain of the above PPE (Refer Note 15.1 for details).

3.4 Aggregate amount of depreciation has been included under 'Depreciation and amortisation expense' in the Statement of Profit and Loss (Refer Note 26).

(Amount in Rupees lakhs, except otherwise stated)

4 Investment properties

	As at 31 March 2019	As at 31 March 2018
Gross carrying amount		
At the beginning of the year	**252.71**	252.71
Additions during the year	-	-
Deletions during the year	-	-
At the end of the year	**252.71**	252.71
Accumulated depreciation		
At the beginning of the year	**11.06**	5.53
Depreciation charge during the year	**5.53**	5.53
At the end of the year	**16.59**	11.06
Carrying amount (net)	**236.12**	241.65

(i) Amounts recognised in statement of profit or loss for investment properties

	Year ended 31 March 2019	Year ended 31 March 2018
Rental income (Refer note 20)	**22.79**	21.75
Profit from investment properties before depreciation	**22.79**	21.75
Depreciation (Refer note 26)	**5.53**	5.53
Profit from investment properties	**17.26**	16.22

(ii) Fair value

	As at 31 March 2019	As at 31 March 2018
Investment properties	**1,858.88**	1,828.04

Estimation of fair value

The Parent Company obtains independent valuations for its investment properties at least annually. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the Parent Company consider information from a variety of sources including:

- current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences
- discounted cash flow projections based on reliable estimates of future cash flows
- capitalised income projections based upon a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence

The fair values of investment properties have been determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

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5 Intangible assets

Description	Gross carrying amount				Accumulated amortisation and impairment							Carrying amount (net)	
	Cost as at 1 April 2018	Additions/ adjustments	Deductions/ adjustments	Cost as at 31 March 2019	Amortisation as at 1 April 2018	Impairment as at 1 April 2018	Amortisation for the year	Impairment/ (Reversal) for the year	Deductions/ adjustments	Amortisation as at 31 March 2019	Impairment as at 31 March 2019	As at 31 March 2019	As at 31 March 2018
Copyrights-Music	935.23	193.65	-	1,128.88	285.83	45.83	162.16	(45.83)	-	447.99	-	680.89	603.57
Computer Software	129.88	5.34	-	135.22	80.31	-	22.95	-	-	103.26	-	31.96	49.57
Total	1,065.11	198.99	-	1,264.10	366.14	45.83	185.11	(45.83)	-	551.25	-	712.85	653.14

Description	Gross carrying amount				Accumulated amortisation and impairment							Carrying amount (net)
	Cost as at 1 April 2017	Additions/ adjustments	Deductions/ adjustments	Cost as at 31 March 2018	Amortisation as at 1 April 2017	Impairment as at 1 April 2017	Amortisation for the year	Impairment/ (Reversal) for the year	Deductions/ adjustments	Amortisation as at 31 March 2018	Impairment as at 31 March 2018	As at 31 March 2018
Copyrights-Music	778.48	156.75	-	935.23	136.49	45.83	149.34	-	-	285.83	45.83	603.57
Computer Software	129.63	0.25	-	129.88	53.53	-	26.78	-	-	80.31	-	49.57
Total	908.11	157.00	-	1,065.11	190.02	45.83	176.12	-	-	366.14	45.83	653.14

5.1 The amortisation expense of intangible assets have been included under 'Depreciation and amortization expense' in the Statement of Profit and Loss (Refer Note 26)

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SAREGAMA INDIA LIMITED
KOLKATA

SAREGAMA INDIA LIMITED
Notes to the consolidated financial statements for the year ended 31 March 2019 (continued)
(Amount in Rupees lakhs, except otherwise stated)

6 Financial assets (non-current)

6.1 Investments

	Face value of each unit as at 31 March 2019	Face value of each unit as at 31 March 2018	Number of shares as at 31 March 2019	Number of shares as at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Investments carried at fair value through other comprehensive income						
Quoted - fully paid equity shares in other companies						
CESC Limited	Rs.10	Rs.10	1,544,988	1,544,988	11,288.45	14,927.67
Phillips Carbon Black Limited	Rs.2	Rs.10	500	100	0.88	1.09
Harrisons Malayalam Limited	Rs.10	Rs.10	100	100	0.07	0.07
CFL Capital Financial Services Limited	Rs.10	Rs.10	100	100	0.02	0.02
CESC Ventures Limited (formerly RP SG-Business Process Services Limited)	Rs.10	Rs.10	308,997	-	1,921.81	-
Spencers Retail Limited (formerly RP-SG Retail Limited)	Rs.5	Rs.5	926,992	-	1,483.19	-
STEL Holdings Limited	Rs.10	Rs.10	100	100	0.10	0.10
Unquoted - fully paid equity shares in other companies						
Spencer and Company Limited	Rs.9	Rs.9	200	200	0.48	0.39
Woodlands Multispeciality Hospital Limited	Rs.10	Rs.10	2,250	2,250	5.60	3.76
Timbre Media Private Limited	Rs.10	Rs.10	230,000	230,000	133.45	160.40
Total investments					14,834.05	15,093.50
Aggregate carrying value of quoted investments and market value thereof					14,694.52	14,928.95
Aggregate carrying value of unquoted investments					139.53	164.55
Aggregate provision for impairment in the value of investments					-	-

Equity shares designated at fair value though other comprehensive income (FVOCI)

	Fair value as at 31 March 2019	Dividend income recognised during 2018-19	Fair value as at 31 March 2018	Dividend income recognised during 2017-18
Investment in CESC Limited	11,288.45	270.38	14,927.67	185.39
Investment in Phillips Carbon Black Limited	0.88	0.02	1.09	0.01
Investment in Harrisons Malayalam Limited	0.07	-	0.07	-
Investment in CFL Capital Financial Services Limited	0.02	-	0.02	-
Investment in CESC Ventures Limited	1,921.81	-	-	-
Investment in Spencers Retail Limited	1,483.19	-	-	-
Investment in STEL Holdings Limited	0.10	-	0.10	-
Total	14,694.52	270.40	14,928.95	185.40

Note: Pursuant to the Composite Scheme of Arrangement involving CESC Limited (CESC) and nine other CESC subsidiaries as approved by the Hon'ble National Company Law Tribunal, Kolkata Bench, the Parent Company and one of its subsidiary is entitled to receive 5 equity shares of Rs.10 each of the Haldia Energy Limited for every 10 equity shares held in CESC Limited, allotment of the same is pending as on 31 March 2019. Hence, pending such allotment no adjustment has been made in the financial statements.

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SAREGAMA INDIA LIMITED KOLKATA

6.2 Loans

	As at 31 March 2019	As at 31 March 2018
Security deposits		
Unsecured, considered good	**492.22**	399.90
Total loans	**492.22**	399.90

6.3 Other financial assets

	As at 31 March 2019	As at 31 March 2018
Bank deposits with original maturity more than 12 months*		
Unsecured, considered good	**0.25**	0.25
Total other financial assets	**0.25**	0.25

* Lodged with Government authority **Rs.0.25 Lakh** (31 March 2018 - Rs.0.25 Lakhs).

7 Other non-current assets

	As at 31 March 2019	As at 31 March 2018
Capital advances		
Unsecured, considered good	**76.50**	984.88
Unsecured, considered doubtful	**36.38**	12.75
Less: Provision for doubtful advances	**(36.38)**	(12.75)
	76.50	984.88
Prepaid expenses		
Unsecured, considered good	**84.48**	137.98
Total other non-current assets	**160.98**	1,122.86

8 Inventories [Refer Note:1(h)]

	As at 31 March 2019	As at 31 March 2018
Raw materials	**25.00**	30.07
Finished goods		
Untelecasted television serials/digital films	**479.37**	110.47
Carvaan/music card and others @	**7,514.10**	3,641.24
Work-in-progress		
Digital films under production	**1,611.10**	1,149.42
Total inventories	**9,629.57**	4,931.20

@ Includes good in transit worth **Rs.460.89 Lakhs** (31 March 2018 - Rs.Nil).

9 Financial assets (current)

9.1 Trade receivables

	As at 31 March 2019	As at 31 March 2018
Trade receivables		
Unsecured, considered good	**11,628.19**	8,414.04
Credit impaired	**353.19**	353.19
Less: Allowance for expected credit loss	**(1,006.83)**	(1,464.21)
Total trade receivables	**10,974.55**	7,303.02

Notes:
(a) No trade or other receivables are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

(b) Information about the Group's exposure to credit and currency risks related to trade receivables are disclosed in Note 32.

9.2 Cash and cash equivalents

	As at 31 March 2019	As at 31 March 2018
Cash on hand	**3.55**	1.62
Bank balances:		
- Current accounts	**496.66**	920.09
Total cash and cash equivalents	**500.21**	921.71

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SAREGAMA INDIA LIMITED KOLKATA

9.3 Other bank balances

	As at 31 March 2019	As at 31 March 2018
Earmarked balances with bank		
Deposits (with original maturity more than 3 months but remaining maturity period less than 12 months) #	**162.36**	152.58
Unpaid dividend accounts @	**16.22**	9.21
Total other bank balances	**178.58**	161.79

Includes **Rs.162.36 Lakhs** deposited with Delhi Court (31 March 2018 - Rs.152.58 Lakhs).
@ Earmarked for payment of unclaimed dividend.

9.4 Loans

	As at 31 March 2019	As at 31 March 2018
Loan to employees		
Unsecured, considered good	**16.34**	14.63
Total loans	**16.34**	14.63

9.5 Other financial assets

	As at 31 March 2019	As at 31 March 2018
Interest accrued on deposits with banks	**5.17**	4.91
Total other financial assets	**5.17**	4.91

10 Current tax assets (net)

	As at 31 March 2019	As at 31 March 2018
Advance payment of Income Tax and Tax Deducted at Source [net of Provision for Taxation **Rs.6,952.88 Lakhs** (31 March 2018 - Rs.4,954.91 Lakhs)]	**3,490.55**	4,233.95
Total current tax assets (net)	**3,490.55**	4,233.95

11 Other current assets
(Unsecured,considered good unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018
Minimum guarantee royalty advances	**1,918.67**	622.45
Royalty advances		
Unsecured, considered good	**120.16**	191.01
Unsecured, considered doubtful	**447.66**	432.44
Less: Provision for doubtful advances	**(447.66)**	(432.44)
	120.16	191.01
Advance to artist against TV projects / films and events		
Unsecured, considered good	**915.43**	591.91
Unsecured, considered doubtful	**324.97**	330.98
Less: Provision for doubtful advances	**(324.97)**	(330.98)
	915.43	591.91
Prepaid expenses		
Unsecured, considered good	**389.05**	296.89
Unsecured, considered doubtful	**44.06**	44.06
Less: Provision for doubtful advances	**(44.06)**	(44.06)
	389.05	296.89
Amount recoverable from custom authorities	**-**	17.69
Gratuity (Refer note 29)	**9.70**	1.84
Other receivables (Refer note 44)	**3,218.72**	-
Advance against supply of goods	**535.44**	974.15
Balances with government authorities	**1,950.97**	1,202.19
Advance payment of fringe benefit tax [net of Provision **Rs.147.87 Lakhs** (31 March 2018 - Rs.147.87 Lakhs)]	**20.08**	20.08
Total other current assets	**9,078.22**	3,918.21

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SAREGAMA INDIA LIMITED KOLKATA

(Amount in Rupees lakhs, except otherwise stated)

12 Equity share capital and other equity

12.1 Equity share capital

Particulars	As at 31 March 2019		As at 31 March 2018	
	Number of shares	Amount	Number of shares	Amount
Authorised				
Ordinary shares of Rs.10 each	**25,000,000**	**2,500.00**	25,000,000	2,500.00
Issued				
Ordinary shares of Rs.10 each	**17,410,492**	**1,741.05**	17,410,492	1,741.05
Subscribed and fully paid up				
Ordinary shares of Rs.10 each	**17,410,492**	**1,741.05**	17,410,492	1,741.05

Reconciliation of number of ordinary shares outstanding

Particulars	As at 31 March 2019		As at 31 March 2018	
	Number of shares	Amount	Number of shares	Amount
As at the beginning of the year	**17,402,938**	**1,741.05**	17,402,938	1,740.29
Add: Issue of shares on exercise of Options	-	-	7,554	0.76
As at the end of the year	**17,402,938**	**1,741.05**	17,410,492	1,741.05

Rights issue

Out of 53,38,628 equity shares issued for cash at a premium of Rs.35/- (issue price - Rs.45/-) pursuant to the Rights Issue in 2005, allotment of **5,290** (31 March 2018 - 5,290) equity shares (relating to cases under litigation/ pending clearence from the concerned authorities) are kept in abeyance as on 31 March 2019.

Rights, preferences and restrictions attached to shares

The Parent Company has only one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting except in case of interim dividend.

In the event of liquidation of the Company, the holder of equity shares are eligible to receive remaining assets of the Company in proportion to their shareholding.

Shares held by ultimate holding company

Name of the shareholder	As at 31 March 2019		As at 31 March 2018	
	Number of shares held	Amount	Number of shares held	Amount
Composure Services Private Limited	**10,291,599**	**1029.16**	10,291,599	1029.16

Details of shares held by shareholders holding more than 5 % of the aggregate shares in the Parent Company

Name of the shareholder	As at 31 March 2019		As at 31 March 2018	
	Number of shares held	Holding percentage	Number of shares held	Holding percentage
Composure Services Private Limited	**10,291,599**	**59.11%**	10,291,599	59.11%

Stock option schemes and stock appreciation rights

Information relating to Employee Option Plan, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in Note 30.

12.2 Other equity

Particulars	As at 31 March 2019	As at 31 March 2018
Capital reserve	**55.19**	55.19
General reserve	**693.95**	693.95
Securities premium	**10,252.72**	10,252.72
Revaluation reserve	**10,320.87**	10,318.20
Share option outstanding reserve	**14.32**	14.37
Retained earnings	**10,064.89**	5,256.15
Equity instrument through OCI	**9,580.53**	9,806.85
Foreign currency translation reserve	**84.78**	32.92
Total other equity	**41,067.25**	36,430.35

(i) Capital reserve : The Group recognises profit or loss on purchase, sale, issue or canellation of the Group's own equity instruments to Capital Reserve. The Group also recognises gains or losses on transaction with Non-Controlling Interest which do not result on loss of control over subsidairy in the capital reserve.

Particulars	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year	**55.19**	55.19
Balance at the end of the year	**55.19**	55.19

(ii) General reserve : Under the erstwhile Companies Act 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, 2013 (the "Companies Act"), the requirement to mandatory transfer a specified percentage of net profit to general reserve has been withdrawn. The amount credited to the reserve can be utilised by the Company in accordance with the provisions of the Companies Act.There is no movement in general reserve during the current and previous year.

Particulars	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year	**693.95**	693.95
Balance at the end of the year	**693.95**	693.95

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SAREGAMA INDIA LIMITED KOLKATA

(Amount in Rupees lakhs, except otherwise stated)

12.2 Other equity (continued)

(iii) Securities premium : This reserve represents the premium on issue of shares and can be utilised in accordance with the provisions of the Companies Act.

Particulars	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year	10,252.72	10,249.40
Add: 7754 Shares issue @ Rs 43.95 per Share on exercise of Options	-	3.32
Balance at the end of the year	**10,252.72**	10,252.72

(iv) Revaluation surplus : This reserve represents surplus on revaluation of Property, plant and equipment (land) and will be transferred directly to retained earning when the asset is derecognised.

Particulars	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year	10,318.20	10,357.19
Deferred tax on revaluation of Land	-	(40.75)
Deferred tax on revaluation of PPE	2.67	1.76
Balance at the end of the year	**10,320.87**	10,318.20

(v) Share options outstanding reserve : This reserve relates to stock options granted by the Parent Company to eligible employees under Saregama Employee Stock Option Scheme 2013. This reserve is transferred to securities premium or retained earnings on exercise or cancellations of vested options.

Particulars	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year	14.37	8.34
Employee stock option expense	3.05	8.44
Reversal on account of forfeiture	(3.10)	(2.41)
Balance at the end of the year	**14.32**	14.37

(vi) Retained earnings : This reserve represents the cumulative profits of the Group and effects of remeasurement of defined benefit obligations. This reserve can be utilised in accordance with the provisions of the Companies Act.

Particulars	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year	5,256.15	2,700.06
Net profit for the period	5,411.34	2,851.48
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment benefit obligation, net of tax	23.97	16.38
Dividends paid	(522.31)	(261.04)
Dividends distribution tax paid	(107.36)	(53.14)
Transfer from share options outstanding reserve on lapse	3.10	2.41
Balance at the end of the year	**10,064.89**	5,256.15

(vii) Equity instruments through OCI (FVOCI) : This reserve represents the cumulative gains (net of losses) arising on the revaluation of Equity Instruments at fair value through Other Comprehensive Income (OCI), net of amounts reclassified, if any, to Retained earnings when those instruments are disposed of.

Particulars	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year	9,806.85	8,110.36
Changes in fair value of FVOCI equity instruments during the year	(259.45)	1,932.01
Deferred tax on above	33.13	(235.52)
Balance at the end of the year	**9,580.53**	9,806.85

(viii) Foreign currency translation reserve : Exchange difference arising from translation of foreign operations are recognised in other comprehensive income as described in accounting policies [Refer note 1(a)(vi)] and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss on disposal of the net investment.

Particulars	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year	32.92	60.41
Add/(Less): Other comprehensive income for the year	51.86	(27.49)
Balance at the end of the year	**84.78**	32.92

S R & Co. LLP Kolkata

SAREGAMA INDIA LIMITED KOLKATA

(Amount in Rupees lakhs, except otherwise stated)

13 Employee benefit obligations (non-current)

	As at 31 March 2019	As at 31 March 2018
Leave encashment obligations	**283.55**	242.00
Total employee benefit obligations (non-current)	**283.55**	242.00

14 Deferred tax liabilities (net)

The balance comprises temporary differences attributable to:

	Balance as at 1 April 2018	Recognised to profit or loss during the year	Other adjustments	Recognised to/ reclassified from OCI	Recognised directly to other equity	Balance as at 31 March 2019
Deferred tax liability						
Fair value changes on financial assets-equity instruments	**1,314.53**	**-**	**-**	**(33.13)**	**-**	**1,281.40**
Property, plant and equipment, intangible assets and investment property	**4,300.82**	**7.30**	**-**	**-**	**(2.67)**	**4,305.45**
Minimum guarantee royalty advance for films	**-**	**614.67**	**-**	**-**	**-**	**614.67**
Provision for royalty on licence fees	**27.07**	**88.17**	**-**	**-**	**-**	**115.24**
Total deferred tax liability	**5,642.42**	**710.14**	**-**	**(33.13)**	**(2.67)**	**6,316.76**
Deferred tax asset						
Allowance for expected credit loss	**492.78**	**(162.88)**	**-**	**-**	**-**	**329.90**
Expenditure allowable for tax purpose in subsequent years	**168.56**	**(66.77)**	**-**	**-**	**-**	**101.79**
Stock appreciation rights	**45.27**	**-**	**-**	**-**	**-**	**45.27**
Income received in Advance-Digital Film	**-**	**34.99**	**-**	**-**	**-**	**34.99**
Others	**142.60**	**-**	**(132.54)**	**(10.06)**	**-**	**-**
Total deferred tax asset	**849.21**	**(194.66)**	**(132.54)**	**(10.06)**	**-**	**511.95**
Net deferred tax liability	**4,793.21**	**904.80**	**132.54**	**(23.07)**	**(2.67)**	**5,804.81**

	Balance as at 1 April 2017	Recognised to profit or loss during the year	Other adjustments	Recognised to/ reclassified from OCI	Recognised directly to other equity	Balance as at 31 March 2018
Deferred tax liability						
Fair Value changes on financial assets-equity instruments	1,079.01	-	-	235.52	-	1,314.53
Property, plant and equipment, intangible assets and investment property	4,282.85	(21.02)	-	40.75	(1.76)	4,300.82
Provision for royalty on licence fees	29.25	(2.18)	-	-	-	27.07
Total deferred tax liability	5,391.11	(23.20)	-	276.27	(1.76)	5,642.42
Deferred tax asset						
Allowance for expected credit loss	674.74	(181.96)	-	-	-	492.78
Expenditure allowable for tax purpose in subsequent years	233.06	(64.50)	-	-	-	168.56
Stock appreciation rights	45.27	-	-	-	-	45.27
Others	-	142.60	-	(8.67)	8.67	142.60
Total deferred tax asset	953.07	(103.86)	-	(8.67)	8.67	849.21
Net deferred tax liability	4,438.04	80.66	-	284.94	(10.43)	4,793.21

15 Financial liabilities (current)

15.1 Borrowings

	As at 31 March 2019	As at 31 March 2018
Secured		
Loan repayable on demand from banks*	**3,580.98**	1,291.74
Unsecured		
Short-term loan from bank	**2,500.00**	-
Inter-corporate deposits, repayable on demand	**295.55**	295.55
Total borrowings	**6,376.53**	1,587.29

* Cash Credit from Banks bearing interest rate between **9.25% to 10.00% p.a.** (2017-18: 9.25% to 10.70% p.a.) are secured by first pari passu charge (ranking pari passu with all consortium bankers) over the whole of the current assets of the Parent Company including its stocks of finished goods, work in progress, bills receivable and book debts, other financial assets and all other movables, both present and future whether now lying loose or in cases wherever they may be situated and also by the second charge on the Parent Company's movable fixed assets, both present and future ranking pari passu without any preference or priority of one over the others.

Refer Note (3), (8), (9.1), (9.2), (9.4) and (9.5) for details of carrying amount of assets pledged as security for secured borrowings and Note 32 for information about liquidity risk and market risk on borrowings.

B S R & Co. LLP Kolkata

SAREGAMA INDIA LIMITED KOLKATA

SAREGAMA INDIA LIMITED
Notes to the consolidated financial statements for the year ended 31 March 2019 (continued)
(Amount in Rupees lakhs, except otherwise stated)

15.2 Trade payables

	As at 31 March 2019	As at 31 March 2018
Trade payables		
a) Total outstanding dues of micro enterprises and small enterprises	**1.91**	0.94
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	**5,643.26**	4,039.56
Total trade payables	**5,645.17**	4,040.50

15.3 Other financial liabilities

	As at 31 March 2019	As at 31 March 2018
Security deposit		
Security deposit from dealers and others	**89.07**	85.18
Security deposit from General Insurance Corporation of India on sub lease of property	**18.01**	18.01
Unpaid dividends*	**16.22**	9.21
Others		
Dealer's incentive	**573.74**	617.02
Liabilities for expenses	**1,611.31**	1,069.87
Employee benefits payable	**1,705.02**	1,598.39
Interest accrued and due on deposits from dealers	**46.99**	43.65
Liability towards deposits received under settlement	**152.58**	152.58
Total other financial liabilities	**4,212.94**	3,593.91

* There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the year end

16 Other current liabilities

	As at 31 March 2019	As at 31 March 2018
Income received in advance	**1,114.81**	407.51
Advance from customers	**152.68**	728.46
Amount payable to Government authorities	**564.06**	355.51
Total other current liabilities	**1,831.55**	1,491.48

17 Provisions

	As at 31 March 2019	As at 31 March 2018
Other provisions		
Provision for returns of magazines	**12.05**	28.94
Provision for royalty on licence fees (Refer note 17.1)	**3,555.33**	3,584.62
Total provisions	**3,567.38**	3,613.56

17.1 Movement of provision for royalty on licence fees

	As at 31 March 2019	As at 31 March 2018
Carrying amount at the beginning of the year	**3,584.62**	2,616.81
Charged/(credited) to profit or loss		
- created during the year	**2,767.06**	1,937.15
- discounting on provision created	**(524.20)**	(253.44)
- unwinding of discount on provision created	**271.88**	260.50
- unused amounts reversed	**(988.42)**	(93.07)
Amounts utilised during the year	**(1,555.61)**	(883.33)
Carrying amount at the end of the year	**3,555.33**	3,584.62

18 Employee benefit obligations (current)

	As at 31 March 2019	As at 31 March 2018
Leave encashment obligations	**59.67**	52.49
Gratuity (Refer note 29)	**28.45**	26.84
Total employee benefit obligations (current)	**88.12**	79.33

B S R & Co. LLP Kolkata

SAREGAMA INDIA LIMITED KOLKATA

SAREGAMA INDIA LIMITED
Notes to the consolidated financial statements for the year ended 31 March 2019 (continued)
(Amount in Rupees lakhs, except otherwise stated)

19 Revenue from operations

	Year ended 31 March 2019	Year ended 31 March 2018
Sale of products	**29,477.77**	14,904.60
Sale of services		
Income from films and television serials	**4,764.59**	5,293.10
Licence fees	**19,475.55**	14,773.87
Publication	**738.84**	682.52
Other operating revenue	**15.23**	4.53
Total revenue from operations	**54,471.98**	35,658.62

Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is diaggregated by primary geography market, major products and service lines and timing of revenue recognition. The Group believes that this disaggregation best depicts how the nature, amount, timing of our revenues and cash flows are affected by geography and other economic factors:

	Sale of products		Licence fees		Films/Television serials		Publication	
	Year ended 31 March 2019	Year ended 31 March 2018	**Year ended 31 March 2019**	Year ended 31 March 2018	**Year ended 31 March 2019**	Year ended 31 March 2018	**Year ended 31 March 2019**	Year ended 31 March 2018
Revenue by geography								
Domestic	**28,271.34**	14,575.26	**12,999.07**	9,013.90	**4,089.34**	4,940.21	**733.17**	675.84
International	**1,206.43**	329.34	**6,476.48**	5,759.97	**675.25**	352.89	**5.67**	6.68
	29,477.77	14,904.60	**19,475.55**	14,773.87	**4,764.59**	5,293.10	**738.84**	682.52
Timing of Revenue Recognition								
Products and services transferred at a point in time	**29,477.77**	14,904.60	**12,219.14**	8,764.94	**4,764.59**	5,293.10	**720.96**	663.95
Products and services transferred over time	**-**	-	**7,256.41**	6,008.93	**-**	-	**17.88**	18.57
Total Revenue from Contracts with customers	**29,477.77**	14,904.60	**19,475.55**	14,773.87	**4,764.59**	5,293.10	**738.84**	682.52

Relationship between disclosure of disaggregated revenue and revenue information for each reportable segment has been disclosed in Note 40 to the financial statement.

Contract Balances

The following table provides information about receivables and contract liabilities from contracts with customers:

	Year ended 31 March 2019	Year ended 31 March 2018
Receivables, which are included in 'trade and other receivables' (Refer note 9.1)	**10,974.55**	7,303.02
Contract liabilities (Refer note 16)	**1,114.81**	407.51

The contract assets primarily relate to the Group's rights to consideration for services rendered but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional.This usually occurs when the Group issues an invoice to the customer.

A receivable is a right to consideration that is unconditional upon passage of time. Revenue from the sale of products is recognised at the point in time when control is transferred to the customer. Revenue for fixed price licence fees contracts is recognized on a straight line basis over the period of the contract. Revenues in excess of billings is recorded as unbilled revenue and is classified as a financial asset for these cases as right to consideration is unconditional upon passage of time.

Invoicing in excess of earnings are classified as unearned revenue.

Unbilled revenues are presented net of impairment in the Consolidated Balance Sheet.

Changes in contract liabilities are as follows:

	Year ended 31 March 2019	Year ended 31 March 2018
Balance at the beginning of the year	**407.51**	431.75
Revenue recognised that was included in the contract liabilities at the beginning of the year	**(407.51)**	(431.75)
Increase due to invoicing during the year, excluding amounts recognised as revenue during the year	**1,114.81**	407.51
Balance at the end of the year	**1,114.81**	407.51

The Parent Company has entered into a few contracts where the period between the transfer of the promised goods or services to the customer and payments by the customer exceeds one year and hence, there exists a financing component included in such contracts. On evaluation of the terms of the contracts, the effects of financing have not been found to be significant and the same has been adjusted accordingly.

Reconciliation of revenue recognised with the contracted price is as follows:

	Year ended 31 March 2019	Year ended 31 March 2018
Contracted prices	**55,662.92**	36,590.24
Reductions towards variable consideration components	**(1,206.17)**	(936.15)
Revenue recognised	**54,456.75**	35,654.09

The reduction towards variable consideration comprises of volume discounts, incentives, etc.

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SAREGAMA INDIA LIMITED KOLKATA

Performance obligation

The following table provides information about the nature and timing of performance obligation in contracts with customers, including significant payment terms and related revenue recognition policies:

Type of product	Nature and timing of satisfaction of performance obligation, including significant payment terms	Revenue recognition under Ind AS 115 (applicable from 1 April 2018)
Physical products	In case of sales of products, customer obtain control of the products when the goods are dispatched from the Company's warehouse. Invoices are generated and revenue is recognised at that point in time.	Revenue from the sale of products is recognised at the point in time when control is transferred to the customer. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.
	For sale of product on a bill-and hold basis, for a customer to have obtained control of a product in a bill-and-hold arrangement, Group has applied the guidance as set out in Ind AS 115.	Group recognises revenue when it satisfies its performance obligation to transfer the control of a product to the customer. For a customer to have obtained control of a product in a bill-and-hold arrangement, Group has applied the guidance as set out in Ind AS 115.
Music Licensing	The performance obligation of "right-to-use" of Music Licensing contracts gets satisfied at the time of entering into agreement/ contracts with customers. In case of "right-to-access" of Music Licensing contracts, the Group undertakes activities that significantly affect the Music Licenses to which the customer has rights. In these cases, the performance obligation gets complete when the Customers accessess the music licenses. Payment is made as per the terms of the Contract.	Revenue from Music licensing where the customer obtains a "right to use" is recognized at the time the license is made available to the customer. Revenue from licenses where the customer obtains a "right to access" is recognized over the access period.
Sale of Television Software	In case of sale of TV Software, customer obtain control of the TV Software when the same is delivered to them and revenue is recognised at that point in time.	Revenue from the sale of televeision software is recognised upfront at the point in time when the software is delivered to the customer.
Sale of Free Commercial Time	The performance obligation gets satisfied at the time when the related advertisement or commercials appears before the public, i.e. on telecast.	Revenue from sale of free commercial time (net of trade discount, as applicable) are recognised when the related advertisement or commercials appears before the public, i.e. on telecast.
Threatrical Distribution of Films	The performance obligation gets satisfied at the time of exhibition of films.	Revenue from theatrical distribution is recognised on exhibition of films. In case of distribution through theatres, revenue is recognised on the basis of box office reports received from various exhibitors. Contracted minimum guarantees are recognised on theatrical release.
Sale of Film Rights	The performance obligation gets satisfied at the time of assignment of such rights as per terms of the sale/licencing agreements. The billing schedules agreed with customers include periodic performance based payments and / or milestone based progress payments. Invoices are payable within contractually agreed credit period.	Revenue from Sale of films rights are recognised on assignment of such rights as per terms of the sale/licencing agreements.
Publication revenue	The performance obligation gets satisfied when the magazines are published.	Revenue from current affairs and features magazine is recognised in the period in which the magazines are published and are accounted for net of commission and discounts.
	The performance obligation gets satisfied when the publications are delivered to the subscribers over the subscription period.	Revenue from subscription to the Group's print publications is recognised as earned, prorata on a per issue basis over the subscription period.

B S R & Co. LLP Kolkata

SAREGAMA INDIA LIMITED KOLKATA

SAREGAMA INDIA LIMITED
Notes to the consolidated financial statements for the year ended 31 March 2019 (continued)
(Amount in Rupees lakhs, except otherwise stated)

20 Other income

	Year ended 31 March 2019	Year ended 31 March 2018
Liabilities/Provisions no longer required written back	**1,134.80**	359.06
Provision for doubtful debts/ advances no longer required written back	**9.35**	30.82
Interest income under effective interest method (refer note below)	**879.97**	353.87
Dividend income from equity investments designated at FVOCI*	**270.40**	185.40
Profit on sale of property, plant and equipment	**0.88**	0.24
Profit on sale of Investment in Mutual Fund	**0.43**	-
Rent income (Refer note 41.2)	**22.79**	21.75
Net gain on foreign currency transactions/ translation	**96.30**	39.10
Insurance claim against fire (Refer note 44)	**3,218.72**	-
Other non-operating income	**7.38**	29.00
Total other income	**5,641.02**	1,019.24

Note:

	Year ended 31 March 2019	Year ended 31 March 2018
Above Interest income comprises :		
- Interest income on bank balances and bank deposits	**11.15**	22.57
- Interest income on income tax refund	**280.97**	29.31
- Unwinding of discount on financial assets	**51.61**	45.96
- Discounting of financial liabilities/provision	**524.20**	253.44
- Other interest	**12.04**	2.59
Total interest income	**879.97**	353.87

* All dividends from equity investments designated at FVOCI relate to investments held at the end of the reporting year.

21 Cost of material consumed/ Contract manufacturing charges

	Year ended 31 March 2019	Year ended 31 March 2018
Cost of materials consumed	**99.85**	92.90
Contract manufacturing charges	**22,060.96**	10,742.76
Total cost of material consumed/ contract manufacturing charges	**22,160.81**	10,835.66

22 Cost of production of films and television serials

	Year ended 31 March 2019	Year ended 31 March 2018
Cost of production of films and television serials	**4,882.90**	5,222.52
Total cost of production of films and television serials	**4,882.90**	5,222.52

23 Changes in inventories of finished goods and work-in-progress [(increase)/decrease]

	Year ended 31 March 2019		Year ended 31 March 2018	
Opening stock				
- Finished goods- Untelecasted television serials/digital films	**110.47**		124.84	
- Finished goods- Carvaan/music card and others	**3,641.24**		146.74	
- Work-in-progress- Digital films under production	**1,149.42**	**4,901.13**	717.93	989.51
Less: Closing stock				
- Finished goods- Untelecasted television serials/digital films	**479.37**		110.47	
- Finished goods- Carvaan/music card and others	**7,514.10**		3,641.24	
- Work-in-progress- Digital films under production	**1,611.10**	**9,604.57**	1,149.42	4,901.13
Net (increase)		**(4,703.44)**		(3,911.62)

B S R & Co. LLP Kolkata

SAREGAMA INDIA LIMITED KOLKATA

SAREGAMA INDIA LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2019 (continued)

(Amount in Rupees lakhs, except otherwise stated)

24 Employee benefits expense

	Year ended 31 March 2019		Year ended 31 March 2018	
Salaries and wages		5,227.89		5,583.07
Share based payment expense		3.05		8.44
Contributions to:				
Provident fund	174.49		150.89	
Superannuation fund	13.22		12.03	
Gratuity fund (Refer note 29)	83.89		76.70	
Employee's State Insurance Scheme	9.36	280.96	9.32	248.94
Staff welfare expenses		139.43		166.40
Total employee benefits expense		5,651.33		6,006.85

25 Finance costs

	Year ended 31 March 2019	Year ended 31 March 2018
Interest expense on financial liabilities measured at amortised cost:		
- on loan and others	343.11	52.50
- unwinding of discount on financial liabilities/provision	271.88	260.50
Other borrowing costs	41.04	23.69
Total finance costs	656.03	336.69

26 Depreciation and amortisation expense

	Year ended 31 March 2019	Year ended 31 March 2018
Depreciation on property, plant and equipment	187.70	233.56
Depreciation on investment properties	5.53	5.53
Amortisation on intangible assets	139.28	176.12
Total depreciation and amortisation expense	332.51	415.21

27 Other expenses

	Year ended 31 March 2019	Year ended 31 March 2018
Power and fuel	114.48	142.05
Rent (Refer note 41.1)	422.14	410.32
Repairs - buildings	18.62	16.19
- machinery	1.51	1.35
- others	42.91	54.68
Royalties	5,591.64	3,367.59
Recording expenses	30.87	126.20
Carriage, freight and forwarding charges	1,963.71	1,047.56
Rates and taxes	686.76	116.87
Insurance	82.44	37.47
Travel and conveyance	622.53	518.62
Advertisement and sales promotion	10,484.89	4,285.37
Editorial expenses	100.48	118.14
Printing and publishing expenses	63.11	66.80
Printing and communication expenses	336.46	343.48
Bad debts/advances written off (Refer Note 27.1)	24.81	54.30
Allowance for expected credit loss / provision for doubtful advances	(415.67)	610.61
Provision for magazine returns	10.73	26.18
Loss on disposal of property, plant and equipment	0.21	-
Legal/consultancy expenses	1,346.50	1,506.01
Corporate social responsibility expenses (Refer Note 27.2)	70.22	57.00
Payment to auditors	90.39	67.62
Miscellaneous expense	975.15	905.75
Total other expense	22,664.89	13,880.16

27.1 Charge for previous year include bad debts / advances written off by the Parent Company of Rs 1,473.65 Lakhs offset with provision for doubtful debts / advances no longer required written back of the equivalent amount.

27.2 Corporate social responsibility expenditure

(a) Gross amount required to be spent by the Group during the year	70.22	56.96
(b) Amount paid to RP-Sanjiv Goenka Group CSR Trust towards purposes other than construction/acquisition of assets	70.22	57.00

(c) There is no provision outstanding as at 31 March 2019 and 31 March 2018.

SAREGAMA INDIA LIMITED KOLKATA

SAREGAMA INDIA LIMITED
Notes to the consolidated financial statements for the year ended 31 March 2019 (continued)
(Amount in Rupees lakhs, except otherwise stated)

28 Tax expenses (Refer note 43)

A. Tax expense recognised in the Statement of Profit and Loss

	Year ended 31 March 2019	Year ended 31 March 2018
Current tax		
Current tax on profits for the year	2,130.51	981.56
Total current tax	2,130.51	981.56
Deferred tax		
Decrease/ (Increase) in deferred tax assets	194.66	103.86
(Decrease)/ Increase in deferred tax liabilities	710.14	(23.20)
Total deferred tax expense charge/(credit)	904.80	80.66
Total tax expense	3,035.31	1,062.22

B. Amount recognised in other comprehensive income

	Year ended 31 March 2019	Year ended 31 March 2018
The tax charge arising on income and expenses recognised in Other Comprehensive Income are as follows:		
Deferred tax		
On items that will not be reclassified to profit or loss		
Remeasurements of post-employment benefit obligations	(10.06)	(8.67)
Changes in fair value of equity instruments designated at FVOCI	33.13	(235.52)
Revaluation gains relating to property, plant and equipment	-	(40.75)
Total	23.07	(284.94)

C. Reconciliation of tax expense

	Year ended 31 March 2019	Year ended 31 March 2018
Profit before tax	8,467.97	3,892.39
Income tax expense calculated @ **29.12%** (31 March 2018 - 34.61%)	2,465.87	1,347.08
Adjustments:		
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Items not deductible for tax purposes	543.04	556.34
Effect of income not taxable	(66.86)	(188.11)
Other items	2.03	81.74
Impact of change in statutory tax rate	91.23	(6.63)
Adjustment in respect of Minimum Alternate Tax (MAT) credit utilised	-	(728.20)
Income tax expense	3,035.31	1,062.22

The tax rate used in the above reconciliation for the year 2018-19 is the tax rate of **29.12%** (25% + surcharge @ 12% and education cess @ 4%) as against tax rate of 34.61% (30% + surcharge @ 12% and education cess @ 3%) for the year 2017-18 payable on taxable profits under the Income Tax Act, 1961.

B S R & Co. LLP Kolkata

SAREGAMA INDIA LIMITED KOLKATA

SAREGAMA INDIA LIMITED
Notes to the consolidated financial statements for the year ended 31 March 2019 (continued)
(Amount in Rupees lakhs, except otherwise stated)

29 Assets and liabilities relating to employee benefits

(I) Post-employment Defined Benefit Plans:

(A) Gratuity (funded)

The Group provides for gratuity, a defined benefit retirement plan covering eligible employees. As per the plan, the Gratuity Fund Trusts, administered and managed by the Trustees and funded primarily with Life Insurance Corporation of India (LICI), ICICI Prudential Life Insurance Company Limited and Aviva Life Insurance Company Limited, make payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Trustees are responsible for the overall governance of the plan and to act in accordance with the provisions of the trust deed and rules in the best interests of the plan participants. Each year an Asset-Liability matching study is performed in which the consequences of the strategic investment policies are analysed in terms of risk and return profiles. Investment and contribution policies are integrated within this study. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation as set out in Note 1(q)(iii) above, based upon which, the Group makes contributions to the Employees' Gratuity Funds.

The following table sets forth the particulars in respect of the Gratuity Plan (funded) of the Group:

	31 March 2019		31 March 2018	
	Parent	Subsidiary	Parent	Subsidiary
(a) Reconciliation of opening and closing balances of the present value of the defined benefit obligation:				
Present value of obligation at the beginning of the year	511.91	41.56	474.78	32.88
Current service cost	73.70	9.86	64.56	9.28
Interest cost	34.59	3.16	31.95	2.40
Remeasurements (gains) / losses				
Actuarial (gain)/ loss arising from changes in financial assumptions	3.83	(0.49)	(15.76)	(1.56)
Actuarial (gain)/ loss arising from changes in experience adjustments	1.60	(2.63)	5.92	(1.44)
Actuarial (gain)/ loss arising from changes in demographic adjustments	(36.39)	-	-	-
Benefits paid	(101.34)	(6.18)	(49.54)	-
Present value of obligation at the end of the year	487.90	45.28	511.91	41.56
(b) Reconciliation of the opening and closing balances of the fair value of plan assets:				
Fair value of plan assets at the beginning of the year	485.06	43.40	359.10	41.06
Interest Income	34.12	3.30	28.50	3.00
Remeasurements gains / (losses)				
Return on plan assets (excluding amount included in net interest cost)	0.49	(0.54)	12.86	(0.66)
Contributions by employer	30.00	15.00	118.00	-
Benefits paid	(90.22)	(6.18)	(33.40)	-
Fair value of plan assets at the end of the year	459.45	54.98	485.06	43.40
(c) Reconciliation of the present value of the defined benefit obligation and the fair value of plan assets:				
Present value of obligation at the end of the year	487.90	45.28	511.91	41.56
Fair value of plan assets at the end of the year	459.45	54.98	485.06	43.40
Liabilities recognised in the balance sheet	28.45	(9.70)	26.85	(1.84)
(d) Actual return on plan assets	34.61	2.76	41.36	2.34
(e) Re-measurements losses/(gains) recognised in the Other Comprehensive Income				
Return on plan assets (excluding amount included in net interest cost)	(0.49)	0.54	(12.86)	0.66
Effect of changes in financial assumptions	3.83	(0.49)	(15.76)	(1.56)
Effect of changes in experience adjustments	1.60	(2.63)	5.92	(1.44)
Effect of changes in demographic adjustments	(36.39)	-	-	-
Total re-measurement losses/(gains) included in Other Comprehensive Income	(31.45)	(2.58)	(22.70)	(2.34)
(f) Expense recognised in Statement of Profit or Loss:				
Current service cost	73.70	9.86	64.56	9.28
Net interest cost	0.47	(0.14)	3.45	(0.60)
Total expense recognised in Statement of Profit and Loss (Refer note 24)	74.17	9.72	68.01	8.68
(g) Category of plan assets:	In %	In %	In %	In %
(a) Fund with Life Insurance Corporation of India	61%	-	66%	-
(b) NAV based Group Balanced Fund with ICICI Prudential Life Insurance Company Limited	20%	-	17%	-
(c) NAV based Group Short Term Debt Fund with ICICI Prudential Life Insurance Company Limited	9%	-	8%	-
(d) NAV based Group Debt Fund with ICICI Prudential Life Insurance Company Limited	10%	-	9%	-
(e) Fund with Aviva Life Insurance Company India Ltd.	-	100%	-	100%
	100%	100%	100%	100%

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SAREGAMA INDIA LIMITED KOLKATA

29 Assets and liabilities relating to employee benefits (continued)

	31 March 2019		31 March 2018	
	Parent	Subsidiary	Parent	Subsidiary
(h) Maturity profile of defined benefit obligation:				
Within 1 year	**218.58**	**5.38**	246.07	0.24
1-2 year	**20.34**	**10.32**	1.28	0.34
2-5 years	**75.11**	**16.78**	29.90	63.83
Over 5 years	**314.91**	**92.72**	126.33	466.39

(i) Principal actuarial assumptions:	31 March 2019		31 March 2018	
	Parent	Subsidiary	Parent	Subsidiary
Discount rate	**7.10%**	**7.70%**	7.50%	7.60%
Salary growth rate	**10.00%**	**7.00%**	10.00%	7.00%

Assumptions regarding future mortality experience are based on mortality tables of 'Indian Assured Lives Mortality (2006-2008)' published by the Institute of Actuaries of India.

The estimate of future salary increases takes into account inflation, seniority, promotion and other relevant factors, such as demand and supply in the employment market.

(j) Sensitivity analysis	**Change in Assumption**	**Impact on defined benefit obligation (2018-19)**	Impact on defined benefit obligation (2017-18)
Discount Rate	Increase by 1%	**Decrease by Rs.30.38 Lakhs**	Decrease by Rs.39.06 Lakhs
	Decrease by 1%	**Increase by Rs.35.36 Lakhs**	Increase by Rs.46.82 Lakhs
Salary Growth Rate	Increase by 1%	**Increase by Rs.34.23 Lakhs**	Increase by Rs.45.37 Lakhs
	Decrease by 1%	**Decrease by Rs.30.04 Lakhs**	Decrease by Rs.38.69 Lakhs

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit obligation recognised in the Balance Sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(k) The Group expects to contribute **Rs.65.81 Lakhs** (previous year - Rs.30.00 Lakhs) to the funded gratuity plans during the next financial year.

(l) The weighted average duration of the defined benefit obligation as at 31 March 2019 for Parent Company is **6 years** (31 March 2018 – 11 years) and for subsidiary is **11 Years** (31 March 2018 - 12 Years).

(II) Post-employment defined contribution plans

(A) Superannuation fund

Certain categories of employees of the Parent Company participate in superannuation, a defined contribution plan administered by the Trustees. The Parent Company makes yearly contributions based on a specified percentage of each covered employee's salary. The Parent Company has no further obligations under the plan beyond its annual contributions.

(B) Provident fund

All categories of employees of the Group receive benefits from a provident fund, a defined contribution plan. Both the employee and employer make monthly contributions to a government administered fund at specified percentage of the covered employee's qualifying salary. The Group has no further obligations under the plan beyond its monthly contributions.

During the year, an amount of **Rs.187.71 Lakhs** (previous year- Rs.162.92 Lakhs) has been recognised as expenditure towards above defined contribution plans of the Group (Refer note 24).

(III) Leave obligations

The Group provides for accumulation of leave by certain categories of its employees. These employees can carry forward a portion of the unutilised leave balances and utilise it in future periods or receive cash (only in case of earned leave) in lieu thereof as per the Group's policy. The Group records a provision for leave obligations in the period in which the employee renders the services that increases this entitlement.

The total provision recorded by the Group towards this obligation was **Rs.343.23 Lakhs** and Rs.294.49 Lakhs as at 31 March 2019 and 31 March 2018 respectively. The amount of the provision is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

	31 March 2019	31 March 2018
Leave provision not expected to be settled within the next 12 months (Refer note 13).	**283.55**	242.00

(IV) Risk exposure

Through its defined benefit plans, the Company is exposed to some risks, the most significant of which are detailed below:

Discount rate risk

The Company is exposed to the risk of fall in discount rate. A fall in discount rate will eventually inrease the ultimate cost of providing the above benefit thereby increasing the value of the liability.

Salary growth risks

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

Demographic risk

In the valuation of the liability, certain demographic (mortality and attrition rates) assumptions are made. The Company is exposed to this risk to the extent of actual experience eventually being worse compared to the assumptions thereby causing an increase in the benefit cost.

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SAREGAMA INDIA LIMITED KOLKATA

30 Share based payments

(a) Employee stock option scheme

The establishment of the Employee Stock Option Scheme 2013 (Scheme) was approved by the shareholders of the parent company at the Annual General Meeting held on 26 July 2013 The Scheme is designed to provide incentives to eligible employees to deliver long term returns Under the Scheme each Option entitles the holder thereof to apply for and be allotted one equity shares of the Parent Company of Rs 10 each upon payment of the exercise price during the exercise period

The exercise period commences from the date of vesting of the Options and expires at the end of 10 years from the date of vesting The Options have been granted at the 'market price' as defined under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014

Performance linked vesting schedule of the said options is as follows -

- After 1 year from the date of grant : 20 % of the options granted
- After 2 years from the date of grant : 20 % of the options granted
- After 3 years from the date of grant : 20 % of the options granted
- After 4 years from the date of grant : 20 % of the options granted
- After 5 years from the date of grant : 20 % of the options granted

Information in respect of Options granted under the Scheme :

Pursuant to approved Scheme, the Compensation Committee/Nomination and Remuneration Committee of the Board of Directors of the Parent Company has granted shares / options during 2013-14, 2016-17 and 2017-18 to certain eligible employees and outstanding as on 31 March 2019 at the following exercise price, being prevailing market price as on date of joining / revision of salary of respective employee:

	As at 31 March 2019		As at 31 March 2018	
Name of eligible employees	No. of options/shares	Exercise price per share (Rs.)	No of options/shares	Exercise price per share (Rs)
Mr G B Aayeer, Chief Financial Officer and Director (upto 28 May 2018)	9529	69.85	10000	69 85
Mr Kumar Ajit, Vice President - Sales and marketing	10000	243.70	10000	243 70
Mr. Rohit Chopra, Senior Vice President - Legal	-	-	10000	717 00

Exercise of options by the option holders shall entail issuance of equity shares by the Parent Company on compliance / completion of related formalities on the basis of 1:1

During the year 2018-19, 10000 Options granted in 2017-18 to Mr Rohit Chopra with exercise price of Rs 717 00 per share was lapsed in 2018-19 on his resignation Further, 471 options out of 10000 options granted to Mr G B Aayeer with exercise price of Rs 69 85 per share was lasped on his retirement

Measurement of fair value

The fair value of Employee Stock Options as on the date of grant was determined using the Black Scholes Model which takes into account the share price at the measurement date, expected price volatility of the underlying share, the expected dividend yield and risk free interest rate and carrying amount of liability included in employee benefit obligations

The fair value of the options and the inputs used in the measurement of fair value as on the grant date are as follows:

	G.B.Aayeer	Kumar Ajit
Fair value at grant date (Rs)	49 48	141 90
Share price at grant date (Rs)	69 85	243 70
Exercise price (Rs)	69 85	243 70
Expected volatility	57 30%	55 96%
Expected Life (expected weighted average life)	13 Years	8 Years
Expected dividend	0 50%	1 34%
Risk free interest rate (based on Government bonds)	9%	7%

Expected volatility has been based on the evaluation of the historical volatility of the Parent Company's share price, particularly over the historical period commensurate with the expected term The Expected term of the instruments has been based on the historical experience and general option holder behaviour.

Reconciliation of outstanding share options	31 March 2019	31 March 2018
Number of Options Outstanding at the beginning of the year	30000	30000
Number of Options granted during the year	-	10000
Number of Options forfeited/lapsed during the year	10471	2446
Number of Options Vested during the Year	5940	7143
Number of Options Exercised during the year	-	7554
Number of Shares Arising as a result of exercise of Options	-	7554
Number of Options Outstanding at the end of the year	19529	30000
Number of Options Excercisable at the end of the year	13529	7589

The Options were exercised during the period permitted under the Scheme, and weighted average share price of shares arising upon exercise of Options, based on the closing market price on NSE on the date of exercise of Options for the year ended 31 March 2018 was Rs 498 80 No options has been exercised during the year ended 31 March 2019

(b) Stock Appreciation Rights

The Nomination and Remuneration Committee of the Board of Directors of the Parent Company has granted Stock Appreciation Rights ("SAR") to certain eligible employees pursuant to the Company's Stock Appreciation Rights Scheme 2014 and Stock Appreciation Rights Scheme 2018 (together referred to as 'Schemes") The grant price is determined as defined in the Scheme The Schemes have different performance linked vesting schedules Under the Scheme, the specified eligible employees are entitled to receive cash payment, being the difference in the share price between the date of grant and the date of exercise subject to certain conditions The Schemes are administered by Nomination and Remuneration Committee

Details of SAR Schemes	SAR Scheme'2014		SAR Scheme'2018	
Grant Date	27 October 2014		31 July 2018	
Grant Price (Rs)	170 65		416 20	
Vesting Schedule	66% after 1 year from grant date 34% after 2 years from grant date		40% after 1 year from grant date 20% after 2 years from grant date 20% after 3 years from grant date 20% after 4 years from grant date	
	As at 31 March		As at 31 March	
	2019	2018	2019	2018
Number of SAR outstanding at the beginning of the year	200000	200000	-	-
Add : Granted during the year	-	-	100000	-
Less : Forfeited / lapsed during the year	-	-	-	-
Less : Exercised during the year	-	-	-	-
Number of SAR outstanding at the end of the year	200000	200000	100000	-
Fair value of SAR at the end of the year	456 10	518 50	390 54	-
Carrying amount of liability - included in employee benefits payable (Rs in Lakhs) (Refer Note 15 3)	912 20	1037 00	156 73	-

The fair value of SAR was determined using the Black Scholes Model using the following inputs at the grant date and at each reporting dates:	SAR Scheme'2014		SAR Scheme'2018	
	As at 31 March		As at 31 March	
	2019	2018	2019	2018
Share price at measurement date (Rs per share)	589.80	655 70	589.80	-
Exercise price (Rs per share)	170.65	170 65	416.20	-
Expected time (in years)	3.80	4 29	6.50	-
Expected volatility (%)	54.80%	56 80%	53.88%	-
Dividend yield (%)	0.55%	0 81%	0.55%	-
Risk-free interest rate (%)	6.85%	7 00%	7.24%	-

(c) Expense arising from share based payment transactions

Total expenses arising from share-based payment transactions recognised in Statement of Profit and Loss as part of employee benefit expense are as follows:

	Year ended 31 March 2019	Year ended 31 March 2018
Employee stock option scheme	3.05	8 44
Share appreciation rights	31.93	780 20

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SAREGAMA INDIA LIMITED KOLKATA

(Amount in Rupees lakhs, except otherwise stated)

31 Fair value measurements

(i) Financial instruments by category

		Notes	As at 31 March 2019 Carrying Amount / Fair Value	As at 31 March 2018 Carrying Amount / Fair Value
A.	**Financial assets**			
(a)	**Measured at fair value through OCI**			
	Investments			
	Equity instruments	6.1	**14,834.05**	15,093.50
	Sub total		**14,834.05**	15,093.50
(b)	**Measured at amortised cost**			
	Trade receivables	9.1	**10,974.55**	7,303.02
	Cash and cash equivalents	9.2	**500.21**	921.71
	Other bank balances	9.3	**178.58**	161.79
	Loans	6.2,9.4	**508.56**	414.53
	Other financial assets	6.3,9.5	**5.42**	5.16
	Sub total		**12,167.32**	8,806.21
	Total financial assets		**27,001.37**	23,899.71
B.	**Financial Liabilities**			
	Measured at amortised cost			
	Borrowings	15.1	**6,376.53**	1,587.29
	Trade payables	15.2	**5,645.17**	4,040.50
	Other financial liabilities	15.3	**4,212.94**	3,593.91
	Total financial liabilities		**16,234.64**	9,221.70

(ii) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows below:

Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: Inputs other than quoted price included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
The fair value of financial instruments that are not traded in an active market is determined using market approach and valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).
If one or more of the significant inputs is not based on observable market data, the fair value is determined using generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparty.

The fair value of trade receivables, trade payables, cash and cash equivalents, other bank balances, loans and other financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short-term nature. Similarly, unquoted equity instruments where most recent information to measure fair value is insufficient, or if there is a wide range of possible fair value measurements, cost has been considered as the best estimate of fair value.
There has been no change in the valuation methodology for Level 3 inputs during the year. The Group has classified certain financial instruments under Level 3 of the fair value hierarchy. There were no transfers between Level 1 and Level 2 during the year.

Particulars	**Fair Value Hierarchy Level**	**As at 31 March 2019**	As at 31 March 2018
Financial assets			
Measured at fair value through OCI			
Investments			
Equity instruments (quoted)	1	**14,694.52**	14,928.95
Equity instruments (un-quoted)	3	**139.53**	164.55
		14,834.05	15,093.50

Level 3 fair values - Movement in the values of unqouted equity instruments
The following table shows a reconciliation from the opening balance to the closing balance for Level 3 fair values:

Particulars	**FVOCI Equity Instruments**
Balance at 1 April 2017	164.55
Gain / (loss) included on OCI	
- Net change in fair value (unrealised)	-
Balance at 31 March 2018	164.55
Balance at 1 April 2018	**164.55**
Gain / (loss) included on OCI	
- Net change in fair value (unrealised)	**(25.02)**
Balance at 31 March 2019	**139.53**

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SAREGAMA INDIA LIMITED KOLKATA

32 Financial risk management

The Group has a system-based approach to risk management, anchored to policies and procedures and internal financial controls aimed at ensuring early identification, evaluation and management of key financial risks (such as market risk, credit risk and liquidity risk) that may arise as a consequence of its business operations as well as its investing and financing activities.

Accordingly, the Group's risk management framework has the objective of ensuring that such risks are managed within acceptable and approved risk parameters in a disciplined and consistent manner and in compliance with applicable regulation. It also seeks to drive accountability in this regard.

This Note explains the sources of risk which the entity is exposed to and how the entity manages the risk. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

(A) Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The Group is exposed to credit risk from its operating activities (primarily Trade Receivables) and from its investing activities (primarily Deposits with Banks).

Trade receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers. Customer credit risk is managed by respective segment subject to the Group's policy and procedures which involve credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Group grants credit terms in the normal course of business. The Group's customer base is large and diverse limiting the risk arising out of credit concentration. Further, credit is extended in business interest in accordance with business-specific credit policies. The Group's exposure to trade receivables on the reporting date, net of expected loss provisions, stood at **Rs.10,974.55 Lakhs** as on 31 March 2019 (31 March 2018 - Rs.7,303.02 Lakhs).

All overdue customer balances are evaluated taking into account the age of the dues, specific credit circumstances, the track record of the counterparty etc. On account of adoption of Ind AS 109, the Group uses expected credit loss model to assess the impairment loss. The Group uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors and the Group's historical experience with customers.

The movement of the expected loss provision (allowance for bad and doubtful loans and receivables etc.) made by the Group are as under:

Particulars	**Expected Loss Provision**	
	As at 31 March 2019	As at 31 March 2018
Opening balance	**1,464.21**	1,986.63
Add: Provision made during the year (net)	**144.59**	610.61
Less: Utilisation for impairment/de-recognition/reversal of provision	**(601.97)**	(1,133.03)
Closing balance	**1,006.83**	1,464.21

Other financial assets

Credit risk from balances with banks, term deposits and investments is managed by Group's finance department. Investments of surplus are made within assigned credit limits with approved counterparties who meet the threshold requirements with respect to ratings, financial strength, credit spreads etc. Counterparty credit limits are set to minimize concentration risk and are reviewed periodically by the Board of Directors.

The Group's maximum exposure to credit risk for the components of the Balance Sheet as of 31 March 2019 and 31 March 2018 is the carrying amounts as disclosed in Note 6.3, 9.3 and 9.5.

(B) Liquidity risk

Liquidity risk refers to the risk that the Group fails to honour its financial obligations in accordance with terms of contract. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions.

Management monitors rolling forecasts of the Group's liquidity position (including the undrawn credit facilities extended by banks and financial institutions) and cash and cash equivalents on the basis of expected cash flows. In addition, the Group's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

The following table shows a maturity analysis of the anticipated cash flows including interest obligations for the Group's non-derivative financial liabilities on an undiscounted basis (all payable within 12 months), which therefore does not differ from their carrying value as the impact of discounting is not significant.

Non-derivative financial liabilities	**As at 31 March 2019**	As at 31 March 2018
(i) Borrowings including interest obligation (Refer note 15.1)	**6,376.53**	1,587.29
(ii) Trade payables (Refer note 15.2)	**5,645.17**	4,040.50
(iii) Other financial liabilities (Refer note 15.3)	**4,212.94**	3,593.91
	16,234.64	9,221.70

The Group does not have derivative financial liabilities as at the end of above mentioned reporting periods.

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SAREGAMA INDIA LIMITED KOLKATA

32 Financial risk management (continued)

(C) Market risk

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group transacts business in local currency and in foreign currencies (primarily US Dollars). The Group has foreign currency trade receivables and trade payables and is therefore exposed to foreign currency risk. The risk is measured through a forecast of highly probable foreign currency cash flows.

The Group's risk management policy is hedging of net foreign currency exposure at all points in time through foreign exchange forward contracts. The objective of the hedging is to eliminate the currency risk due to volatility in exchange rates.

(a) Foreign Currency Risk Exposure:

The Group's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

	As at 31 March 2019		As at 31 March 2018	
	Financial Assets	Financial Liabilities	Financial Assets	Financial Liabilities
USD	381.97	114.65	1,399.53	0.36
Others	109.18	-	43.79	-
Total	491.15	114.65	1,443.32	0.36

Net Exposure to Foreign Currency Risk (Assets - Liabilities)	As at 31 March 2019	As at 31 March 2018
USD	267.32	1,399.17
Others	109.18	43.79
Total	376.50	1,442.96

(b) Sensitivity

The sensitivity of profit or loss to changes in the foreign exchange rates arises mainly from foreign currency denominated financial instruments. 10 % appreciation / depreciation of the respective foreign currencies with respect to functional currency (holding all other variables constant) of the Group would result in increase / decrease in the Group's profit before tax as computed below:

	Impact on profit before tax	
	Year ended 31 March 2019	Year ended 31 March 2018
USD sensitivity		
INR/USD -Increase by 10%	26.73	139.92
INR/USD -Decrease by 10%	(26.73)	(139.92)
Other currencies sensitivity		
INR/Others-Increase by 10%	10.92	4.38
INR/Others-Decrease by 10%	(10.92)	(4.38)

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to risk of changes in market interest rates relates primarily to the Group's debt interest obligation. Further the Group engages in financing activities at market linked rates, any changes in the interest rate environment may impact future rates of borrowings.

The Group's investments in term deposits with bank are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of changes in market interest rates.

The exposure of the Group's financial assets and financial liabilities to interest rate risk is as follows:

	As at 31 March 2019		As at 31 March 2018	
	Floating Rate	Fixed Rate	Floating Rate	Fixed Rate
Financial assets	-	162.36	-	152.83
Financial liabilities	3,876.53	2,500.00	1,587.29	-
	3,876.53	2,662.36	1,587.29	152.83

Increase/ decrease of 50 basis points (holding all other variables constant) in interest rates at the balance sheet date would result in increase/decrease of **Rs.19.38 Lakhs** (31 March 2018 - Rs.7.94 Lakhs) in interest expense on financial liabilities with floating interest rate and corresponding impact on profit before tax for the year ended 31 March 2019.

The Group invests its surplus funds in fixed deposits. Fixed deposits are held with highly rated banks and companies and have a short tenure and are not subject to interest rate volatility.

(iii) Securities price risk

Securities price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded prices. The Group is not an active investor in equity markets; it continues to hold certain investments in equity for long term value accretion which are accordingly measured at fair value through Other Comprehensive Income. The value of investments in such equity instruments (including quoted and unquoted) as at 31 March 2019 is **Rs.14,834.05 Lakhs** (31 March 2018 - Rs.15,093.50 Lakhs). Accordingly, fair value fluctuations arising from market volatility is recognised in Other Comprehensive Income.

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SAREGAMA INDIA LIMITED KOLKATA

(Amount in Rupees lakhs, except otherwise stated)

33 Capital Management

(a) Risk Management

The Group's objectives when managing capital are to:

• safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and

• maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of net debt to equity ratio and maturity profile of overall debt portfolio of the Group.

Net debt implies total borrowings of the Group as reduced by Cash and Cash Equivalent and Equity comprises all components attributable to the owners of the Group

The following table summarises the capital of the Company:

	As at 31 March 2019	As at 31 March 2018
Total borrowings (Refer note 15.1)	**6,376.53**	1,587.29
Less: Cash and cash equivalents (Refer note 9.2)	**(500.21)**	(921.71)
Net Debt	**5,876.32**	665.58
Equity (Refer note 12.1 and 12.2)	**42,808.30**	38,171.40
Net Debt to Equity Ratio	**0.14**	0.02

Under the terms of the major borrowing facilities, the Group has complied with the financial covenants as imposed by the bank and financial institutions.

No changes were made to the objectives, policies or processes for managing capital during the years ended **31 March 2019** and 31 March 2018.

(b) Dividend on equity shares

	Year ended 31 March 2019	Year ended 31 March 2018
Dividend declared and paid during the year		
Final dividend for the year ended 31 March 2018 of Rs.3.00 (31 March 2017 - Rs.1.50) per fully paid share	**522.31**	261.04
Dividend distribution tax on above	**107.36**	53.14
	629.67	314.18
Proposed dividend not recognised at the end of the reporting period		
In addition to the above dividend, since year end the directors of the Parent Company have recommended the payment of a final dividend of **Rs.3.00** per fully paid share (31 March 2018 – Rs.3.00). This proposed dividend is subject to the approval of shareholders of the Parent Company in the ensuing annual general meeting. Hence, no liability has been recognised in books.	**522.31**	522.31
Dividend distribution tax on above	**107.36**	107.36
	629.67	629.67

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SAREGAMA INDIA LIMITED KOLKATA

(Amount in Rupees lakhs, except otherwise stated)

34 Related party disclosures

a) Where Control exists

Utlimate Holding Company

The Group is controlled by the following entity w.e.f 29 March 2017

Name	Type	Place of Incorporation	Ownership Interest As at 31 March 2019	Ownership Interest As at 31 March 2018
Composure Services Private Limited (CSPL)	Ultimate Holding Company	India	**59.11%**	59.11%

b) Joint venture

Saregama Regency Optimedia Private Limited (SROPL) (under liquidation effective 19 September 2016)

c) Key management personnel of the Parent Company and its Ultimate Holding Company

Name	Relationship
Mr.Sanjiv Goenka	Chairman and Non-Executive Director of Parent Company
Mr.Vikram Mehra	Managing Director of Parent Company
Mr.G.B.Aayeer	Whole-time Director and Chief Financial Officer of Parent Company upto 28 May 2018
Mrs.Preeti Goenka	Non-Executive Director of Parent Company
Mrs.Sushila Goenka	Non-Executive Director of Parent Company, deceased on 15 July 2018
Mrs.Avarna Jain	Non-Executive Director of Parent Company, w.e.f. 29 May 2018
Mr. Umang Kanoria	Non-Executive Independent Director of Parent Company
Mr.Bhaskar Raychaudhuri	Non-Executive Independent Director of Parent Company, deceased on 20 November 2018
Mr.Santanu Bhattacharya	Non-Executive Independent Director of Parent Company
Mr.Arindam Sarkar	Non-Executive Independent Director of Parent Company
Mr.Noshir Naval Framjee	Non-Executive Independent Director of Parent Company
Mr.Vineet Garg	Chief Financial Officer of Parent Company w.e.f. 29 May 2018
Mrs.Kamana Khetan	Company Secretary of Parent Company w.e.f. 4 August 2017
Mr.Rajendra Dey	Director of Ultimate Holding Company
Mr.Akhilanand Joshi	Director of Ultimate Holding Company

d) Other Related Parties with whom the Company had transactions

Name	Relationship
Saregama India Limited Employees Group Gratuity Fund (Gratuity Fund)	Post Employment Benefit Plan of the Parent Company
Saregama India Limited Superannuation Fund (Superannuation Fund)	Post Employment Benefit Plan of the Parent Company

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SAREGAMA INDIA LIMITED KOLKATA

(Amount in Rupees lakhs, except otherwise stated)

34 Related party disclosures (continued)

Transactions with related parties

		Year ended 31 March 2019	Year ended 31 March 2018
A	**Utlimate Holding Company**		
	Dividend Paid	**308.75**	154.37
B	**Remuneration to Key management personnel of the Parent Company**		
	Mr.Vikram Mehra	**539.19**	1,353.96
	Mr.G.B.Aayeer	**23.91**	199.26
	Mr.Vineet Garg	**122.10**	-
	Mrs.Kamana Khetan	**9.98**	4.99
C	**Sitting fees paid to Key management personnel of Parent Company**		
	Mr.Sanjiv Goenka	**1.15**	1.10
	Mrs.Preeti Goenka	**0.80**	0.60
	Mrs.Sushila Goenka	**0.40**	0.60
	Mrs.Avarna Jain	**0.60**	-
	Mr.Umang Kanoria	**1.30**	1.30
	Mr.Bhaskar Raychaudhuri	**1.30**	1.15
	Mr.Santanu Bhattacharya	**1.30**	1.20
	Mr.Arindam Sarkar	**0.85**	0.85
	Mr.Noshir Naval Framjee	**1.25**	0.25
D	**Payment to Director of the Parent Company**		
	Rent paid to Mrs.Preeti Goenka	**0.45**	5.40
E	**Post employment benefit plan of the Parent Company**		
	Contribution towards Saregama India Limited Employees Group Gratuity Fund	**30.00**	118.00
	Contribution towards Saregama India Limited Superannuation Fund	**13.22**	12.03

Key management personnel compensation

		Year ended 31 March 2019	Year ended 31 March 2018
	Short-term Employee Benefits	**649.58**	732.88
	Post Employment Benefits	**21.33**	34.99
	Other Long- term Benefits	**7.96**	9.70
	Share-based payment	**16.31**	780.64

Balances outstanding at the year end

		As at 31 March 2019	As at 31 March 2018
A	**Joint venture company**		
1)	Non-current investments @		
	SROPL	**145.97**	145.97
2)	Provision for diminution in the value of investments		
	SROPL	**145.97**	145.97
B	**Key management personnel of the Parent Company**		
	Remuneration payable		
	- Mr.Vikram Mehra	**1,147.67**	1,124.41
	- Mr.G.B.Aayeer	**21.56**	36.18
	- Mr.Vineet Garg	**17.66**	-
	- Mrs.Kamana Khetan	**1.21**	2.04
	@ Gross of Provision.		

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SAREGAMA INDIA LIMITED KOLKATA

35 **Interest in other entities:**

(a) **Interests in subsidiaries**

The Parent Company's subsidiaries at 31 March 2019 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business

Name	Country of incorporation	Proportion of Ownership Interest as at	
		31 March 2019	31 March 2018
Saregama Plc	United Kingdom	76.41%	76.41%
RPG Global Music Limited	Mauritius	100%	100%
Kolkata Metro Networks Limited	India	100%	100%
Open Media Network Private Limited	India	100%	100%
Saregama FZE	UAE	100%	-
Saregama Inc	USA	76.41%	76.41%

(b) **Interests in joint venture**

Set out below is the joint venture of the Group as at 31 March 2019. The entity have share capital consisting solely of equity shares, which are held directly by the Group. The country of incorporation is also its principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Name	Country of incorporation	Proportion of Ownership Interest as at	
		31 March 2019	31 March 2018
Saregama Regency Optimedia Private Limited (SROPL)	India	26%	26%

The above joint venture (JV) company has been directed to be wound up vide Order dated 19 September 2016 by the Hon'ble High Court at Calcutta and the Official Liquidator attached to this Court has forthwith taken into his custody all the property, effects, books of accounts, other documents and actionable claims. Since the parent company has ceased to have control over SROPL from the aforesaid date, its share in net assets of SROPL has been determined as on that date and shown under Investment accounted for using equity method. Accordingly, this entity has not been considered for consolidation by the Group.

36 **Commitments**

Estimated amount of contract remaining to be executed on Capital account and not provided for [net of advances of **Rs.70.00 Lakhs** (31 March 2018 - Rs.958.50 Lakhs)] as at 31 March 2019 are estimated at **Rs.94.00 Lakhs** (31 March 2018 - Rs 1,271.00 Lakhs)

37 **Contingent liabilities in respect of -**

(i) Income Tax Matter

The Group has ongoing disputes with income tax authorities in India. The disputes relate to tax treatment of certain expenses claimed as deductions, computation or eligibility of allowances. The Company has contingent liability of **Rs.1,986.02 Lakhs** as at 31 March 2019 (31 March 2018 - Rs.1,461.19 Lakhs) in respect of tax demands which are being contested by the Company based on the management evaluation and advice of tax consultants

(ii) Indirect Tax Matter

The Group has ongoing disputes with Indian tax authorities mainly relating to treatment of characterisation and classification of certain items. The Company have demands amounting to **Rs.889.99 Lakhs** as at 31 March 2019 (31 March 2018 - Rs 1,102.62 Lakhs) relating to Excise duty, Custom duty, Service tax, Sales tax/VAT and Other indirect taxes from respective indirect tax authorities which are being contested by the Company based on the management evaluation and advice of tax consultants

(iii) Copyright Matter

The Group has received legal notices of claims / lawsuits filed against it relating to infringement of copyrights in relation to the music used / other matters. Based on management evaluation and advice from legal solicitors, **Rs.39.03 Lakhs** (31 March 2018 - Rs 138.78 Lakhs) is considered as contingent on account of such claims / law suits

(iv) There has been a Supreme Court Judgement dated 28 Feb 2019, relating to components of salary structure that need to be taken into account while computing the contribution to provident fund under the EPF act. There are interpretative aspects related to the judgement including the effective date of application. The Group will continue to assess any further developments in this matter for the implications on financial statements, if any

(v) Other matters including claims related to property related demands **Rs.3,017.79 Lakhs** (31 March 2018 - Rs 1,847.16 Lakhs).

In respect of above, it is not practicable for the Group to estimate the timings of cash outflows, if any, pending resolution of the respective proceedings. The Group does not expect any reimbursements in respect of the above

38 **The Group has following un-hedged exposures in foreign currencies**

	Year ended 31 March 2019		Year ended 31 March 2018	
	Foreign currency in Lakhs	Amount in Rs. Lakhs	Foreign currency in Lakhs	Amount in Rs. Lakhs
Trade Receivables	USD 5.52	381.97	USD 21.52	1,399.89
Trade Receivables	SAR 0.04	0.75	SAR 0.06	0.69
Trade Receivables	LKR 246.28	97.23	LKR 58.93	25.09
Trade Receivables	MYR 0.06	0.93	MYR 0.09	1.52
Trade Receivables	QAR 0.21	3.99	QAR 0.05	0.87
Trade Receivables	AED 0.17	3.16	AED 0.81	13.99
Trade Receivables	SGD 0.01	0.59	SGD 0.01	0.45
Trade Receivables	OMR 0.01	2.53	OMR 0.01	1.18
Trade Payables	USD 1.65	114.65	USD 0.01	0.36

39 **Basic and diluted earnings per share:**

	Year ended 31 March 2019	Year ended 31 March 2018
Number of equity shares at the beginning of the year	17,410,492	17,402,938
Number of equity shares at the end of the year	17,410,492	17,410,492
Weighted average number of equity shares outstanding during the year (A)	17,410,492	17,407,056
Weighted average number of potential equity shares on account of employee stock options (B)	14,121	15,808
Weighted average number of equity shares for computing diluted earnings per share [C= (A+B)]	17,424,613	17,422,864
Nominal value of each equity share (Rs.)	10	10
Profit after tax before minority interest available for equity shareholders (Rs in Lakhs) [D]	5,432.66	2,830.17
Basic earnings per share (Rs.) [D/A]	31.20	16.26
Diluted earnings per share (Rs.) [D/C]	31.18	16.24

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SAREGAMA INDIA LIMITED KOLKATA

(Amount in Rupees lakhs, except otherwise stated)

40 Segment Information

(a) **Description of segments and principal activities**

The Group's Chief Operating Decision Maker ('CODM') examines the Group's performance and has identified three reportable segments of its business.

Music : The Group is primarily engaged in the business of manufacturing and sale of Music storage device viz. Carvaan, Mini Carvaan, Music Card etc. and dealing with related music rights

Film/TV Serials : The Group is also engaged in production and sale/telecast/broadcast of films/TV Serials, pre-recorded programmes and dealing in film rights.

Publication : Group also publishes weekly current affairs magazine 'OPEN' through its publication business.

The segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statement. Also the group's borrowings (including finance costs and interest income), income taxes and investments are managed at head office and are not allocated to operating segments.

Segment Revenue is measured in the same way as in the Statement of Profit and Loss.

Segment assets and liabilities are measured in the same way as in the consolidated financial statements. These assets are allocated based on the operations of the segment and the physical location of the assets

(b) **Information about reportable segments**

Particulars	Year ended 31 March 2019				Year ended 31 March 2018			
	Music	Films/TV Serials	Publication	Total	Music	Films/TV Serials	Publication	Total
Segment revenue								
- External sales and licence fees	48,968.55	4,764.59	738.84	54,471.98	29,683.00	5,293.10	682.52	35,658.62
- Intersegment sales and licence fees	-	-	-	-	-	-	-	-
Total segment revenue	48,968.55	4,764.59	738.84	54,471.98	29,683.00	5,293.10	682.52	35,658.62

Particulars	Year ended 31 March 2019				Year ended 31 March 2018			
	Music	Films/TV Serials	Publication	Total	Music	Films/TV Serials	Publication	Total
Segment result	12,278.02	(32.37)	(1,029.62)	11,216.03	8,869.01	(204.87)	(1,216.48)	7,447.66
Reconciliation to profit before tax								
Finance costs				(656.03)				(336.69)
Other unallocated expenditure (net of unallocated income)				(2,092.03)				(3,218.58)
Profit before taxation				8,467.97				3,892.39
Taxes				(3,035.31)				(1,062.22)
Profit after Taxes				5,432.66				2,830.17

Particulars	Year ended 31 March 2019					Year ended 31 March 2018				
	Music	Films/TV Serials	Publication	Unallocated	Total	Music	Films/TV Serials	Publication	Unallocated	Total
Segment depreciation and amortisation	287.19	14.52	30.80	-	332.51	344.35	22.32	36.08	12.46	415.21
Non cash expenses*					332.51					415.21

*There are no other significant non-cash expenditure other than depreciation and amortisation

SAREGAMA INDIA LIMITED
Notes to the consolidated financial statements for the year ended 31 March 2019 (continued)
(Amount in Rupees lakhs, except otherwise stated)

40 Segment Information (continued)

Particulars	As at 31 March 2019				As at 31 March 2018			
	Music	Films/TV Serials	Publication	Total	Music	Films/TV Serials	Publication	Total
Segment assets	45,015.30	5,340.33	517.00	50,872.63	32,579.90	3,375.13	558.58	36,513.61
Reconciliation to total assets								
Unallocated assets				20,007.55				21,325.62
Total assets				70,880.18				57,839.23

Particulars	Year ended 31 March 2019					Year ended 31 March 2018				
	Music	Films/TV Serials	Publication	Unallocated	Total	Music	Films/TV Serials	Publication	Unallocated	Total
Addition to non current assets other than financial assets	2,108.92	6.76	3.15	-	2,118.83	207.28	45.78	3.30	0.25	256.60

Particulars	As at 31 March 2019				As at 31 March 2018			
	Music	Films/TV Serials	Publication	Total	Music	Films/TV Serials	Publication	Total
Segment liabilities	12,644.74	824.16	326.34	13,795.24	10,225.12	389.80	557.75	11,172.67
Reconciliation to total liabilities								
Unallocated liabilities				14,014.81				8,268.62
Total liabilities				27,810.05				19,441.29

(c) **Additional information by geographies**

The amount of revenue from external customers broken down by the location of the customers is shown in table below-

Revenue from external customers	Year ended 31 March 2019	Year ended 31 March 2018
India	46,108.15	29,209.74
Other Countries	8,363.83	6,448.88
Total	54,471.98	35,658.62

The total of segment assets broken down by location of the assets is shown below-

Non-current assets*	As at 31 March 2019	As at 31 March 2018
India	21,680.47	20,856.16
Other Countries	-	-
Total	21,680.47	20,856.16

* Excluding financial instruments, etc. as defined under Indian Accounting Standard (Ind AS) 108 on 'Operating Segment' notified in the Act

(d) **Revenue from major customers**

The Group is not reliant on revenues from transactions with any single external customer and does not receive 10% or more of its revenues from transactions with any single external customer.

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SAREGAMA INDIA LIMITED KOLKATA

41.1 The Group has cancellable operating lease arrangements for certain accommodation. Terms of such lease include option for renewal on mutually agreed terms. There are no restrictions imposed by lease arrangements and there are no purchase options or sub leases or contingent rents. Operating lease rentals for the year recognised in Statement of Profit and Loss amounts to **Rs.422.14 Lakhs** (previous year - Rs.410.32 Lakhs).

41.2 Rent income includes payments of **Rs.22.79 Lakhs** (previous year - Rs.21.75 Lakhs) for the year relating to agreements entered into by the Group. There are no restrictions imposed by lease arrangements and there are no contingent rents recognised as income for the period. These lease arrangements inter alia include escalation clause/option for renewal.

42 Additional information pursuant to paragraph 2 of Division II of schedule III to the Companies Act 2013

Name of the Entity	As at 31 March 2019 Net Assets, i.e. total assets minus total liabilities		2018-19 Share in Profit or Loss		2018-19 Share in Other Comprehensive Income		2018-19 Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount	As % of Consolidated profit or loss	Amount	As % of Consolidated Other comprehensive income	Amount	As % of Consolidated Total comprehensive income	Amount
Parent								
Saregama India Limited	98.94%	42,613.72	95.59%	5,193.02	121.48%	(165.85)	94.92%	5,027.17
Subsidiaries								
Indian								
Kolkata Metro Networks Limited	5.93%	2,553.01	0.82%	44.48	27.97%	(38.18)	0.12%	6.30
Open Media Network Private Limited	-15.05%	(6,483.99)	-28.34%	(1,539.57)	-1.23%	1.68	-29.04%	(1,537.89)
Foreign								
RPG Global Music Limited	-1.03%	(443.54)	-0.05%	(2.97)	-	-	-0.06%	(2.97)
Saregama Plc	-1.07%	(461.64)	1.27%	69.06	-33.14%	45.24	2.15%	114.30
Saregama FZE	-0.09%	(38.10)	-1.19%	(64.91)	-4.85%	6.62	-1.10%	(58.29)
Non-Controlling Interest	0.61%	261.83	0.39%	21.32	-10.23%	13.97	0.67%	35.29
Adjustment arising out of consolidation	11.76%	5,068.84	31.51%	1,712.23	-	-	32.34%	1,712.23
Total	**100%**	**43,070.13**	**100%**	**5,432.66**	**100%**	**(136.52)**	**100%**	**5,296.14**

43 Tax expenses is net of Minimum Alternate Tax (MAT) credit of **Rs.Nil** (2017-18 Rs.728.20 Lakhs) based on income tax computation set out in accounting policy [Note 1(s)] and Company's return of income.

44 On 2 April 2018, there was a fire in the godown (of third party service provider) damaging stocks of the Parent Company. As per the best estimate of the management, the Parent Company had recognised insurance claim receivable as "Other Income" and the corresponding loss against of such stocks was charged off. The Parent Company has subsequently realised Rs.3,218.72 Lakhs from the insurance company on 12 April 2019 against the said claim. The impact of the above has been given in the segments results under Music segment.

45 The disclosures regarding details of specified bank notes held and transacted during 8th November 2016 to 30th December 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended 31 March 2019.

46 Previous years figures have been regrouped/reclassified to conform to current year's presentation.

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Jayanta Mukhopadhyay
Partner
Membership No.: 055757

Place : Kolkata
Date : 08 May 2019

For and on behalf of the Board of Directors of
Saregama India Limited
CIN : L22213WB1946PLC014346

Sanjiv Goenka
Chairman
DIN: 00074796

V.Mehra
Managing Director
DIN-03556680

Vineet Garg
Chief Financial Officer

Kamana Khetan
Company Secretary
ACS: 35161

Place : Kolkata
Date : 08 May 2019

Place : Kolkata
Date : 08 May 2019

DECLARATION

Our Company certifies that all relevant provisions of Chapter VI read with Schedule VII of the SEBI ICDR Regulations have been complied with and no statement made in this Preliminary Placement Document is contrary to the provisions of Chapter VI and Schedule VII of the SEBI ICDR Regulations and that all approvals and permissions required to carry on the Company's business have been obtained, are currently valid and have been complied with. The Company further certifies that all the statements in this Preliminary Placement Document are true and correct.

Signed by:

Vikram Mehra
Managing Director

Date: November 2, 2021
Place: Mumbai

DECLARATION

We, the Board of Directors of the Company certify that:

(i) the Company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder;

(ii) the compliance with the Companies Act, 2013 and the rules thereunder, does not imply that payment of dividend or interest or repayment of preference shares or debentures, if applicable, is guaranteed by the Central Government; and

(iii) the monies received under the Issue shall be used only for the purposes and objects indicated in the Preliminary Placement Document. (which includes disclosures prescribed under Form PAS-4).

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS

Signed by:

____

Vikram Mehra
Managing Director

Date: November 2, 2021
Place: Mumbai

I am authorized by the Fund Raising Committee of the Board of Directors of the Company, vide resolution no. 5 dated November 2, 2021, to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoter subscribing to the Memorandum of Association and the Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

Signed by:

____

Vikram Mehra
Managing Director

Date: November 2, 2021
Place: Mumbai

SAREGAMA INDIA LIMITED

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West Bengal, India
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Website: www.saregama.com

CIN: L22213WB1946PLC014346

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E-mail: co.sec@saregama.com

BOOK RUNNING LEAD MANAGER

JM Financial Limited
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Appasaheb Marathe Marg, Prabhadevi
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Maharashtra, India

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INTERNATIONAL LEGAL COUNSEL TO THE BOOK RUNNING LEAD MANAGER

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Tel: +1 214 259 0952

SAMPLE APPLICATION FORM

An indicative format of the Application Form is set forth below:

(Note: The format of the Application Form included herein below is for reference and for the purposes of compliance with applicable law only, and no Bids in this Issue should be made through the sample Application Form. The Company, in consultation with the Book Running Lead Manager, will identify Eligible QIBs and circulate serially numbered copies of the Preliminary Placement Document and the Application Form, specifically addressed to such Eligible QIBs. Any application to be made in the Issue should be made only upon receipt of serially numbered copies of the Preliminary Placement Document and the Application Form, and not on the basis of the indicative format below.)

saregama	**APPLICATION FORM** Name of Bidder: __________________
(*Incorporated in the Republic of India under the provisions of the Companies Act, 1913*) **Registered and Corporate Office**: 33, Jessore Road, Dum Dum, Kolkata – 700 028, West Bengal, India **Telephone**: +91 33 2551 4773 / 2551 2984 | **Email**: co.sec@saregama.com **Website**: www.saregama.com | **CIN:** L22213WB1946PLC014346	Form No: ________________________ Date: ____________________________

QUALIFIED INSTITUTIONS PLACEMENT OF [●] EQUITY SHARES OF FACE VALUE ₹ 10 EACH (THE "EQUITY SHARES") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE ("ISSUE PRICE") INCLUDING A PREMIUM OF ₹ [●] PER EQUITY SHARE AGGREGATING TO APPROXIMATELY ₹ [●] LAKHS UNDER CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS") AND SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED (THE "COMPANIES ACT"), READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES"), AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT AND THE RULES MADE THEREUNDER BY SAREGAMA INDIA LIMITED (THE "COMPANY") (HEREINAFTER REFERRED TO AS THE "ISSUE"). THE APPLICABLE FLOOR PRICE OF THE EQUITY SHARES IS ₹ 4,264.68 AND OUR COMPANY MAY OFFER A DISCOUNT OF UP TO [●]% ON THE FLOOR PRICE, AS APPROVED BY THE SHAREHOLDERS.

Only Qualified Institutional Buyers ("QIBs") as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and which (i) are not, (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; (b) restricted from participating in the Issue under the SEBI ICDR Regulations and other applicable laws; (c) hold a valid and existing registration under the applicable laws in India (as applicable); and (d) are eligible to invest in the Issue and submit this Application Form, and (ii) are residents in India or Eligible FPIs (as defined herein below) participating through Schedule II of the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 ("FEMA Rules"), defined hereinafter or a multilateral or bilateral development financial institution eligible to invest in India under applicable law including the FEMA Rules; can submit this Application Form. The Equity Shares have not been and will not be registered under the United States Securities Act of 1933, as amended ("U.S. Securities Act"), and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act ("Rule 144A") and referred to in this Preliminary Placement Document as a "U.S. QIB") pursuant to Section 4(a)(2) of the U.S. Securities Act, or another available exemption from the registration requirements of the U.S. Securities Act, and (b) outside the United States in "offshore transactions" as defined in, and in reliance on, Regulation S under the U.S. Securities Act ("Regulation S") and the applicable laws of the jurisdictions where those offers and sales are made. You should note and observe the selling and transfer restrictions contained in the sections entitled "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" in the accompanying preliminary placement document dated November 2, 2021 (the "PPD").

ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE IN THIS ISSUE, THROUGH SCHEDULE II OF THE FEMA RULES, SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF ELIGIBLE FPIs DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. PURSUANT TO PRESS NOTE NO. 3 (2020 SERIES), DATED APRIL 17, 2020, ISSUED BY THE DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE, GOVERNMENT OF INDIA, AND RULE 6 OF THE FEMA RULES, INVESTMENTS BY AN ENTITY OF A COUNTRY WHICH SHARES LAND BORDER WITH INDIA OR WHERE THE BENEFICIAL OWNER OF SUCH INVESTMENT IS SITUATED IN OR IS A CITIZEN OF SUCH COUNTRY, MAY ONLY BE MADE THROUGH THE GOVERNMENT APPROVAL ROUTE. ALLOTMENTS MADE TO AIFS AND VCFs IN THE ISSUE SHALL REMAIN SUBJECT TO THE RULES AND REGULATIONS APPLICABLE TO EACH OF THEM RESPECTIVELY, INCLUDING THE FEMA RULES. OTHER ELIGIBLE NON-RESIDENT QIBS SHALL PARTICIPATE IN THE ISSUE UNDER SCHEDULE I OF FEMA RULES. FVCIs ARE NOT PERMITTED TO PARTICIPATE IN THE ISSUE.

To,

The Board of Directors
SAREGAMA INDIA LIMITED
33, Jessore Road, Dum Dum,
Kolkata – 700 028, West Bengal, India

Dear Sirs,

On the basis of the serially numbered PPD of the Company and subject to the terms and conditions contained therein, and in this Application Form, we hereby submit our Application Form for the Allotment of the Equity Shares in the Issue, at the terms and price indicated below. We confirm that we are an eligible QIB as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and are not: (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; and (b) restricted from participating in the Issue under the applicable laws, including SEBI ICDR Regulations. We are not a promoter of the Company (as defined in the SEBI ICDR Regulations), or any person related to the promoter of the Company, directly or indirectly. Further, we confirm that we do not have any right under a shareholders' agreement or voting agreement entered into with promoter or persons related to promoter of the Company, veto rights or right to appoint any nominee director on the board of directors of the Company. We confirm that we are either a QIB which is resident in India, or an Eligible FPI, participating through Schedule II of the FEMA Rules. We specifically confirm that our Bid for the Allotment of the Equity Shares is not in violation to the amendment made to Rule 6(a) of the FEMA Rules by the Central Government on April 22, 2020. We confirm that we are neither an AIF or VCF whose sponsor and manager is not Indian owned and controlled in terms of the FEMA Rules, nor an FVCI.

STATUS (Please ✓)			
FI	Scheduled Commercial Banks and Financial Institutions	**AIF**	Alternative Investment Fund*
MF	Mutual Funds	**IF**	Insurance Funds
FPI	Foreign Portfolio Investors**	**NIF**	National Investment Fund
VCF	Venture Capital Funds	**SI-NBFC**	Systemically Important Non-Banking Financial Companies
IC	Insurance Companies	**OTH**	Others _______________ (Please specify)

Total shares currently held by QIB or QIBs belonging to the same group or those who are under common control. For details of what constitutes "same group" or "common control", see "*Application Form*" under Issue Procedure section of the PPD.
** Sponsor and Manager should be Indian owned and controlled.*
***Foreign portfolio investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended, other than individuals, corporate bodies and family offices who are not allowed to participate in the Issue*

We confirm that the Bid size / aggregate number of the Equity Shares applied for by us, and which may be Allocated to us thereon will not exceed the relevant regulatory or approved limits and further confirm that our Bid will not result in triggering an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "**Takeover Regulations**").We confirm, that we have a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allotted to us in accordance with Chapter VI of the SEBI ICDR Regulations and undertake to comply with the SEBI ICDR Regulations, and all other applicable laws, including any reporting obligations. We confirm that, in relation to our application, each foreign portfolio investor ("**FPI**") as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended (other than individuals, corporate bodies and family offices), and including persons who have been registered under these regulations (such FPIs, "**Eligible FPIs**"), have submitted a separate Application Form, and asset management companies of mutual funds have specified the details of each scheme for which the application is being made along with the Bid Amount and number of shares to be Allotted under each scheme. We undertake that we will sign all such documents, provide such documents and do all such acts, if any, necessary on our part to enable us to be registered as the holder(s) of the Equity Shares that may be Allotted to us. We confirm that the signatory is authorized to apply on behalf of the Bidder and the Bidder has all the relevant authorisations. We note that the Company is entitled, in consultation with JM Financial Limited (the "**BRLM**"), in its sole discretion, to accept or reject this Application Form without assigning any reason thereof.

We hereby agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD, Placement Document and the CAN, when issued and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below, subject to receipt of Application Form and the Bid Amount towards the Equity Shares that may be allocated to us. The amount payable by us as Bid Amount for the Equity Shares applied for has been/will be remitted to the designated bank account set out in this Application Form through electronic mode, along with this Application Form prior to the Bid/Issue Closing Date and such Bid Amount has been /will be transferred from a bank account maintained in our name. We acknowledge and agree that we shall not make any payment in cash or cheque. We are aware that (i) Allocation and Allotment in the Issue shall be at the sole discretion of the Company, in consultation with the BRLM; and (ii) in the event that Equity Shares that we have applied for are not Allotted to us in full or at all, and/or the Bid Amount is in excess of the amount equivalent to the product of the Equity Shares that will be Allocated to us and the Issue Price, or the Company is unable to issue and Allot the Equity Shares offered in the Issue or if there is a cancellation of the Issue, or the listing of the Equity Shares does not occur in the manner described in the PPD, the Placement Document, the SEBI ICDR Regulations and other applicable laws, the Bid Amount or a portion thereof, as applicable, will be refunded to the same bank account from which the Bid Amount was paid by us. Further, we agree to comply with the rules and regulations that are applicable to us, including in relation to the lock-in and transferability requirements. In this regard, we authorize the Company to issue instructions to the depositories for such lock-in and transferability requirements, as may be applicable to us.

We acknowledge and agree that (i) our names, address, contact details, PAN, bank account details and the number of Equity Shares Allotted, along with other relevant information as may be required, will be recorded by the Company in the format prescribed in terms of the PAS Rules; (ii) in the event that any Equity Shares are Allocated to us in the Issue, we are aware pursuant to the requirements under Form PAS-4 of the PAS Rules that our names (as proposed Allottees) and the percentage of our post-Issue shareholding in the Company will be disclosed in the Placement Document, and we are further aware that disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the BRLM; and (iii) in the event that Equity Shares are Allotted to us in the Issue, the Company will place our name in the register of members of the Company as a holder of such Equity Shares that may be Allotted to us and in the Form PAS-3 filed by the Company with the Registrar of Companies, West Bengal at Kolkata (the "**RoC**") as required in terms of the PAS Rules. Further, we are aware and agree that if we, together with any other QIBs belonging to the same group or under common control, are Allotted more than 5% of the Equity Shares in the Issue, the Company shall be required to disclose our name, along with the names of such other Allottees and the number of Equity Shares Allotted to us and to such other Allottees, on the websites of the National Stock Exchange of India Limited and BSE Limited (together, the "**Stock Exchanges**"), and we consent to such disclosures. In addition, we confirm that we are eligible to invest in Equity Shares under the SEBI ICDR Regulations, circulars issued by the RBI and other applicable laws.

By signing and submitting this Application Form, we hereby confirm and agree that the representations, warranties, acknowledgements and agreements as provided in the sections "Notice to Investors", "Representations by Investors", "Issue Procedure" and "Selling Restrictions" sections of the PPD and the terms, conditions and agreements mentioned herein are true and correct and acknowledge and agree that these representations and warranties are given by us for the benefit of the Company and the BRLM, each of whom is entitled to rely on, and is relying on, these representations and warranties in consummating the Issue.

By signing and submitting this Application Form, we hereby represent, warrant, acknowledge and agree as follows: (1) we have been provided with a serially numbered copy of the PPD along with the Application Form, have read it in its entirety including in particular, the section "*Risk Factors*" therein and we have relied only on the information contained in the PPD and not on any other information obtained by us either from the Company, the BRLM or from any other source, including publicly available information; (2) we will abide by the PPD and the Placement Document, this Application Form, the confirmation of allocation note ("**CAN**"), when issued, and the terms, conditions and agreements contained therein; (3) that if Equity Shares are Allotted to us pursuant to the Issue, we shall not sell such Equity Shares otherwise than on the floor of a recognised stock exchange in India for a period of one year from the date of Allotment; (4) we will not have the right to withdraw our Bid or revise our Bid downwards after the Bid/Issue Closing Date; (5) we will not trade in the Equity Shares credited to our beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges; (6) Equity Shares shall be Allocated and Allotted at the discretion of the Company, in consultation with the BRLM, and the submission of this Application Form and payment of the corresponding Bid Amount by us does not guarantee any Allocation or Allotment of Equity Shares to us in full or in part; (7) in terms of the requirements of the Companies Act, upon Allocation, the Company will be required to disclose names and percentage of our post-Issue shareholding of the proposed Allottees in the Placement Document; however, disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the BRLM; (8) the number of Equity Shares Allotted to us pursuant to the Issue, together with other Allottees that belong to the same group or are under common control as us, shall not exceed 50% of the Issue and we shall provide all necessary information in this regard to the Company and the BRLM. For the purposes of this representation: The expression 'belong to the same group' shall derive meaning from Regulation 180(2) of the SEBI ICDR Regulations, i.e., entities where (i) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (ii) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (iii) there is a common director, excluding nominee and independent directors, among the Eligible QIBs, its subsidiary or holding company and any other QIB; and 'control' shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the Takeover Regulations; (9) We agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD and the Placement Document, this Application Form, the CAN upon its issuance and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below.

By signing and submitting this Application Form, we further represent, warrant and agree that we have such knowledge and experience in financial and business matters that we are capable of evaluating the merits and risks of the prospective investment in the Equity Shares and we understand the risks involved in making an investment in the Equity Shares. No action has been taken by us or any of our affiliates or representatives to permit a public offering of the Equity Shares in any jurisdiction. We satisfy any and all relevant suitability standards for investors in Equity Shares, have the ability to bear the economic risk of our investment in the Equity Shares, have adequate means of providing for our current and contingent needs, have no need for liquidity with respect to our investment in Equity Shares and are able to sustain a complete loss of our investment in the Equity Shares. We acknowledge that once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Bid Amount has been transferred to the Escrow Account (as detailed below), such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Bid/Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and this Application Form is unsigned, we confirm that we are authorized to submit this Application Form and provide necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of the Eligible QIB.

We acknowledge that the Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. By signing this Application Form and checking the applicable box above, we hereby represent that we are either (i) a U.S. QIB purchasing the Equity Shares pursuant to Section 4(a)(2) of the U.S. Securities Act or another available exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws, or (ii) located outside the United States and purchasing Equity Shares in an "offshore transaction" complying with Rule 903 or Rule 904 of Regulation S and the applicable laws of the jurisdictions where those offers and sales are made. We confirm that we have read and agree with the representations, warranties and agreements contained in the sections entitled "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" of the PPD.

<table>
<tr><th colspan="5">BIDDER DETAILS (in Block Letters)</th></tr>
<tr><td>NAME OF BIDDER*</td><td colspan="4"></td></tr>
<tr><td>NATIONALITY</td><td colspan="4"></td></tr>
<tr><td>REGISTERED ADDRESS</td><td colspan="4"></td></tr>
<tr><td>CITY AND CODE</td><td colspan="4"></td></tr>
<tr><td>COUNTRY</td><td colspan="4"></td></tr>
<tr><td>TELEPHONE NO.</td><td colspan="2"></td><td>FAX.</td><td></td></tr>
<tr><td>EMAIL</td><td colspan="4"></td></tr>
<tr><td>FOR ELIGIBLE FPIs**</td><td>Registration Number:</td><td colspan="2">For AIFs***/ MFs/ VCFs***/ SI-NBFCs/ ICs</td><td>Registration Number:</td></tr>
</table>

**Name should exactly match with the name in which the beneficiary account is held. Bid Amount payable on Equity Shares applied for by joint holders shall be paid from the bank account of the person whose name appears first in the application. Mutual Fund Bidders are requested to provide details of the Bids made by each scheme of the Mutual Fund. Each Eligible FPI is required to fill a separate Application Form. Further, any discrepancy in the name as mentioned in this Application Form with the depository records would render the application invalid and liable to be rejected at the sole discretion of the Issuer and the BRLM.*
***In case you are an FPI holding a valid certificate of registration and eligible to invest in the Issue, please mention your SEBI FPI Registration Number.*
****Allotments made to AIFs and VCFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. AIFs and VCFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.*

We are aware that the number of Equity Shares in the Company held by us, together with the number of Equity Shares, if any, Allocated to us in the Issue will be aggregated to disclose the percentage of our post-Issue shareholding in the Company in the Placement Document in line with the requirements under Form PAS-4 of the PAS Rules. For such information, the BRLM will rely on the information provided by the Registrar for obtaining details of our shareholding and we consent and authorize such disclosure in the Placement Document.

ESCROW ACCOUNT - BANK ACCOUNT DETAILS FOR PAYMENT OF AMOUNT THROUGH ELECTRONIC FUND TRANSFER REMITTANCE BY WAY OF ELECTRONIC FUND TRANSFER BY 1.00 P.M. (IST), [•], 2021, [•]	
Name of the Account	Saregama India Limited-QIP-Escrow Account
Name of the Bank	ICICI Bank Limited
Address of the Branch of the Bank	215, Free Press House, Free Press Marg, Nariman Point, Mumbai – 400021, Maharashtra, India
Account Type	Escrow Account
Account Number	000405130413
IFSC	ICIC0000004
Tel No.	+ 91 33 25511984
E-mail	sagar.welekar@icicibank.com

The Bid Amount should be transferred pursuant to the Application Form. All payments must be made only by way of electronic funds transfer, in favour of "*Saregama India Limited-QIP-Escrow Account*". Payment of the entire Bid Amount should be made along with the Application Form on or before the closure of the Bid/Issue Period, i.e., prior to the Bid/Issue Closing Date. **The payment for subscription to the Equity Shares Allotted in the Issue shall be made only from the bank account of the person subscribing to the Equity Shares and in case of joint holders, from the bank account of the person whose name appears first in the Application Form.**

DEPOSITORY ACCOUNT DETAILS									
Depository Name(Please ✓)	National Security Depository Limited								Central Depository Services (India) Limited
Depository Participant Name									
DP – ID	I	N							
Beneficiary Account Number									(16 digit beneficiary account. No. to be mentioned above)
The Demographic details like address, bank account details etc., will be obtained from the Depositories as per the beneficiary account given above. **However, for the purpose of refund, if any, only the bank details as mentioned below, from which remittance towards subscription has been made, will be considered.**									

The Bidders are responsible for the accuracy of the bank account details mentioned below and acknowledge that the successful processing of refunds if, any, shall be dependent on the accuracy of the bank account details provided by them. The Company and the BRLM shall not be liable in any manner for refunds that are not processed due to incorrect bank account details.

RUPEE BANK ACCOUNT DETAILS (FOR REMITTANCE)				
Bank Account Number		IFSC Code		
Bank Name		Bank Branch Address		
NO. OF EQUITY SHARES BID		**BID AMOUNT PER EQUITY SHARE (RUPEES)**		
(In figures)	(In words)	(In figures)	(In words)	

DETAILS OF CONTACT PERSON			
NAME			
ADDRESS			
TEL. NO.		**FAX NO.**	
EMAIL			

OTHER DETAILS	
PAN*	
Date of Application	
Signature of Authorised Signatory (may be signed either physically or digitally)**	

ENCLOSURES ATTACHED
Attested/ certified true copy of the following:
☐ Copy of PAN Card or PAN allotment letter
☐ Copy of FPI Registration Certificate /MF Registration certificate / SEBI certificate of registration for AIFs/VCF/SI-NBFC/IC/IF
☐ Certified copy of the certificate of registration issued by the RBI as an SI-NBFC/ a Scheduled Commercial Bank
☐ Copy of notification as a public financial institution
☐ FIRC
☐ Copy of IRDAI registration certificate
☐ Intimation of being part of the same group
☐ Certified true copy of Power of Attorney
☐ Other, please specify

**It is to be specifically noted that the Bidder should not submit the GIR Number or any other identification number instead of the PAN as the applications are liable to be rejected on this ground, unless the Bidder is exempted from the requirement of obtaining a PAN number under the Income-tax Act, 1961.*
***A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted as soon as practical.*

Note:

(1) Capitalized terms used but not defined herein shall have the same meaning as ascribed to them in the PPD, unless specifically defined herein.
(2) The application form is liable to be rejected if any information provided is incomplete or inadequate at the discretion of the Company in consultation with the BRLM.
(3) This Application Form, the PPD and the Placement Document sent to you/ be sent to you, either in physical form or both, are specific to you and you may not distribute or forward the same and are subject to disclaimer and restrictions contained in or accompanying these documents.