RP - Sanjiv Goenka Group
Growing Legacies

saregama

Date: 12th November, 2026

The Manager,
Listing Department,
National Stock Exchange of India Limited
Exchange Plaza, C-1,
Block G, Bandra – Kurla Complex,
Bandra (East), Mumbai – 400 051

Symbol: SAREGAMA

The General Manager,
The Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001

Scrip Code: 532163

Subject: Q2FY27 Earning Conference Call-Transcript

Dear Sir/ Madam,

With reference to our intimation filed on 27th October, 2026 and pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') as amended, please find enclosed the transcript of the Q2FY27 Earnings Conference Call held on **Wednesday, 4th November, 2026** at 3:00 P.M. (IST) for the quarter ended on 30th September, 2026.

This information is available on the website of the Company www.saregama.com

You are requested to kindly take the abovementioned on record.

Yours Faithfully,
For **SAREGAMA INDIA LIMITED**

NAYANKUMAR MISRA
Digitally signed by NAYANKUMAR MISRA
Date: 2026.11.12 11:52:52 +05'30'

Nayan Kumar Misra
Company Secretary and Compliance Officer
Membership No: A26243

Encl: As above

“Saregama India Limited

Q2 FY27 Earnings Conference Call”

November 04, 2026

MANAGEMENT: **MR. VIKRAM MEHRA – MANAGING DIRECTOR**
MR. ABHISHEK KAPOOR – CHIEF FINANCIAL OFFICER
MR. PANKAJ KEDIA – EXECUTIVE DIRECTOR – INVESTOR RELATIONS

MODERATOR: **MR. KAVISH PAREKH – 360 ONE CAPITAL MARKET**

Moderator: Ladies and gentlemen, good day, and welcome to Saregama India Limited Q2 FY27 Earnings Call, hosted by 360 ONE Capital Market Private Limited. As a reminder, all participant lines will be in listen-only mode, and there will be an opportunity for you to ask questions after the

presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing Star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Kavish Parekh from 360 ONE Capital Market. Thank you, and over to you, sir.

Kavish Parekh: Good afternoon, everyone. I would like to welcome the management and thank them for this opportunity. We have with us today Mr. Vikram Mehra, Managing Director, Mr. Abhishek Kapoor, CFO, and Mr. Pankaj Kedia, Executive Director, Investor Relations.

I shall now hand over the call to the management for the opening remarks. Over to you.

Vikram Mehra: Good afternoon to everyone. This quarter, our revenue from operations was INR3,143 million, with year-on-year growth of 37%. Our adjusted EBITDA was INR1,180 million, with year-on-year growth of 39%, and operational PBT was INR858 million, with year-on-year growth of 43%.

Our quarterly numbers look very healthy, but on behalf of the entire management, I would once again reiterate: please evaluate our performance only on a rolling 12-month basis. Music is the first vertical of ours. Global recorded music grew to USD31.7 billion in 2025, according to IFPI. India has just a 1% share of that.

In spite of housing over 18% of the world population, we in India are operating in the most under-penetrated large music market on earth. And our entire strategy at Saregama is built around this next 20-year opportunity in front of us.

On a quarterly basis, the overall music vertical, comprising licensing, artist management, and retail, recorded revenue of INR2,513 million, registering 35% year-on-year growth. Quarterly EBITDA stood at INR1,540 million with 37% year-on-year growth and quarterly net margin at INR1,165 million with 46% year-on-year growth.

The music vertical had a low base in the first half of Financial Year 2026, which has helped us achieve such strong growth in this financial year. On a short-to-medium-term basis, we maintain our guidance of 20% to 23% CAGR for the music vertical revenue.

On profitability, we had stated in Financial Year 2024 that it would take us 2 to 3 years before the growth in EBITDA and profits begins to follow the revenue growth trajectory. We are entering that cycle now, where content that was bought 2, 3 or 4 years ago is starting to contribute positive margins.

The first half of this year had greater focus on non-film music, like the I-Pop Star albums in Hindi and Tamil, which threwmultiple songs that trended on YouTube and Instagram. There were also very strong-performing Haryanvi and Bihari songs, and Punjabi superstar Nijjar's album.

Our biggest film hit this quarter was the Telugu album, Paradise. Its song 'yeshanagula' hit the global number one position on YouTube's daily music video charts during this quarter.

The second half of the year will focus more on the movie albums, prominent ones being Sanjay Leela Bhansali's Love & War, Sivakarthikeyan's Seyon, Dharma's Kartik Aaryan starrer Naagzilla, and a Tiger Shroff movie, which is being produced by Sanjay Leela Bhansali.

Our spend on new content this year will be between INR300 crores and INR350 crores. As shared earlier, going forward, we will be increasing our content budgets at a nominal level, say 10% per annum. So, assuming Financial Year 2027 spends at the midpoint of INR325 crores, we are looking at new content spends of around INR1,200 crores over the three financial years from Financial Year 2028 to 2030.

Another data point worth sharing. In Financial Year 2026, 60% of all music revenue of Saregama came from music which was released post-2000. So while we at Saregama proudly steward the musical heritage of India, we are now a new-age IP company with a large part of our revenue coming from brand-new IP.

We continue with the guidance of a 5-year payback period for all new music bought, followed by 55 to 75 years of returns coming from that music. Music catalog is increasingly treated globally as an infrastructure-light, inflation-linked asset class, which is why institutional capital is now flowing into this space either through JVs or direct catalog purchases.

Our 180,000-plus song catalog, growing by 4,500 to 5,000 new releases every year, is exactly the kind of asset that compounds value over decades. Let's spend a moment on subscription. The push from digital platforms like Spotify, YouTube, JioSaavn to build paid subscription revenues continues, with labels working proactively alongside them to accelerate this process. We have already started seeing results from these initiatives.

A recent Indian consumer study done by EY and IMI stated that 64% of free music customers are ready to shift to a reasonably priced paid service if the free service stops. As a company, we continue with our bullish position on subscription growth in the country. Globally, the music industry is now growing on both paid subscribers and pricing.

If we see Universal and Spotify's latest quarter results, even after so many years, subscription revenue is still growing steadily for both Spotify, which is a platform, and Universal, which is a label. In India, the growth is still coming entirely from new subscribers. So we have only one trigger for growth, which is the addition of new subscribers. Pricing is the second growth engine that is still ahead of us, which will start kicking in, hopefully, 2 to 3 years from now.

Let's talk about AI. Saregama's position on AI remains that it will be beneficial to the company in the long run, both in terms of cost reduction and speed to market. But while we support licensed innovation, we at Saregama will consistently fight against unlicensed exploitation. All our new digital licensing agreements are building protection against dilution of our rights and potential fraud.

As of now, data and consumer research seems to be indicating that AI-created music is winning primarily on volume and not on consumer listening. Whatever little has popped up globally are AI versions of existing hits. For a catalog owner, the bigger near-term issue is probably unlicensed AI covers and remakes of our songs and not AI songs competing with our new releases.

We have invested in technology that's able to track these cover versions on various streaming platforms and we either buy them out or pull them down. We are also opening dialogue proactively with AI creators so that we can own and distribute the AI versions of our biggest songs.

The global industry is converging on the stance that we have held. Universal has called for AI-generated filler to be paid less than human artistry, and Spotify is building licensed remix and cover features with the rights holders' consent, credit and compensation. This is exactly the model we are pushing for AI versions of our catalog, licensed, credited, and paid.

As shared earlier, we have created two AI-dedicated teams in Saregama to optimize cost and speed. One is a content team that's using GenAI tools to create adjacent audio content like podcasts, using Saregama's songs and building new age music videos around the older songs. We will be releasing around 100 hours of podcast content in Q3 using these tools.

The second team is looking at every process within the company with the end objective of optimizing these processes using AI tools. This has already resulted in marginal savings in manpower cost. We will be in a position to see the full impact of these initiatives over the next few quarters.

While global music majors are not talking about expanding artists' brands beyond streaming, we have been quietly building these over years and it's already a meaningful EBITDA contributor through our artist management, live events and brand partnership verticals.

The artist management vertical of music works by making artists popular through our IP releases and then monetizing them via bookings for live events, weddings, and brand endorsements from which Saregama earns a share.

At the end of this quarter, we represent 340 artists with a combined follower base of more than 450 million on Instagram and YouTube. As our investment in new content grows, these artists are also going to become bigger.

And with digital advertising growing at over 14% per annum, if I go by the latest EY report, we believe that the artist and influencer economy is going to be the biggest beneficiary of this growth in digital advertising, which means we get our share of that revenue, contributing straight to our bottom line.

Let me talk about live events now. Financial year 27 started with us expanding our live vertical into multiple formats, helping us diversify our risk. We extended the Carvaan brand into smaller concerts under the Carvaan Live banner, targeting middle-aged and older audiences that enjoy

sit-down premium music listening experiences. 54 such shows were produced in quarter two, serving around 10,000 audience members.

The other big highlight of this quarter was our Ilaiyaraaja's US tour across 11 cities serving 20,000 audience members. We further built our devotional format with 17 shows featuring Manoj Muntashir's Krishna, Backstage Siblings, and Jaya Kishori. Globally, music labels are increasingly focused on monetizing super fans. Luminate research shows super fans spend over 100% more than an average listener, and 73% of them buy physical merchandise.

Carvaan Live and our diaspora tours target exactly this segment in the Indian context. Older, financially comfortable, willing to pay a premium for curated experience with the artists they grew up listening to. Our long-term belief in the potential of live events keeps getting reinforced every quarter, and we will continue increasing investment here. The focus will be over time to lean more and more towards IPs that we own and reduce our dependence on artist-based concerts.

I think I've been sharing with you over the last couple of quarters that we have put in place a new vertical around brand partnerships, building an additional high-margin revenue stream along with our licensing business by maximizing revenue that we get from brands across music, live events and short-format videos. This quarter, we did over 20 brand deals with partners like Apple, Airbnb, Google, Cadbury, Tanishq, etcetera.

The video vertical. Revenue of this vertical declined 16% to INR183 million. This follows a conscious decision to wind down the film business and invest in Bhansali Productions instead. And revenue in this vertical may decline further in the coming quarters as this transition plays out.

But we will continue investing in video content that is GenZ-focused, which means short-format content that is talking to GenZ, and also our TV and web shows. The good part about the formats that we are invested in is that most of them, first, are low-ticket items and, secondly, we have an advertiser or a platform that comes on board before any video is shot.

Regarding our two investments, Pocket Aces has reached break-even in financial year 26 and is moving towards profitability this year. Bhansali Productions is all geared up for its biggest release Love & War in quarter four and is actively working on the slate for financial year 28.

Over the next few years, we will continue investing in new music content. This will contribute not only to the immediate growth, but also set the company on a long-term growth path. We maintain our guidance of 20% to 23% revenue CAGR and 60% to 65% EBITDA margin for music vertical over short to medium run.

Saregama's growth narrative will remain steady over medium to long term, driven by rising digital consumption, both in new customers entering the market and existing customers consuming more. The latest IAMAI report places India at over 950 million internet users.

With our cash reserves, professional managerial depth, a Board that thinks long-term and is ready to back the management, and access to the soundtracks of the best films, we can drive earnings not just for the next 2 to 3 years, but for the next 20.

India is at an earlier stage of the global streaming curve, which is actually a feature not a bug. On Spotify's latest earnings calls in October, their co-CEO Alex Norström pointed to India's 1.4 billion people and 7% to 8% GDP growth over many years. And he said that he sees no better market for Spotify to grow its business than India.

The proof of the pudding is in eating it. Spotify is backing this by making changes to its free tier in a market like India by increasing the ad load adjustments in order to drive conversion to paid. They're even looking at windowing of content where newer content goes first to the paid side and at a later stage only comes to the free people.

As platforms like Spotify grow in India, owners of premium Indian music IP will win with them. And Saregama is the best placed company amongst them. And it isn't just music platforms. In its latest quarter, Netflix reported that India viewers were up 24% and revenue was up nearly 20%, driven by strong local content. Indian consumers are increasingly paying for premium local entertainment and it is local IP that wins.

To summarize, we operate in the world's most under-penetrated large music market with a high margin structure and own IP catalog growing at 4,500 to 5,000 releases a year, an unmatched in-house entertainment flywheel and a strong balance sheet.

Every global trend, subscription growth, art expansion, super fan monetization and anything beyond streaming has a longer runway in India than anywhere else. Saregama may be the cleanest listed way to own this thesis. Thank you and we will be open to questions now.

Moderator: We will now begin the question-and-answer session. The first question is from the line of Govindarajan from CSIM. Please go ahead.

Govindarajan: Yes, hi. Good afternoon. I have two questions. First one is on the event side. I know it's a small number. But we have had reasonable revenues this quarter, yet we have made a loss on it during the quarter. So, I just wanted to understand that.

And second there's a question that I think we discussed in the previous calls as well. Could you explain why the unallocable expenditure is going up again. It's INR27 crores this year versus INR18 crores last year. What contributed to this increase? Thank you.

Vikram Mehra: Okay, let me answer the first one. On events, as I mentioned in my opening statement, we are at the stage where we are consciously moving our dependence away from artist-based concerts to IP-based ones. In IP-based events, for example, we have UN40, which is a music festival of ours, there is HaHaKaar, which is a stand-up comedy festival of ours, there's Krishna, which is a devotional concert IP of ours, Carvaan Live, again an IP of ours.

In all the IP-based concepts, in the initial run, there will be higher investments going in. We are not capitalizing any of that. The majority of that is getting charged off. So, you are seeing that kind of number impact here.

The moment we go only for artist-based concerts, the profitability will look a little better, but in the long run, we have no control over our destiny. So, this is part of a conscious game plan that is getting unveiled in the market. On unallocable, Abhishek, will you take that?

Abhishek Kapoor: Yes Vikram, I will take that. So, Govind, if you notice from our segment results, the unallocable cost is netted off against other income. So other income, if you see, has declined by 55% year over year; that's the only reason for the bump-up in the unallocable cost. If you back that out, apart from the other income impact, it is flat versus last year.

Govindarajan: And versus the first quarter, this is an INR6 crores increase?

Abhishek Kapoor: Yes, so it's the same thing. It's basically that the prime reason is only the other income which is netted off on this line item.

Govindarajan: No, from the first quarter to the second quarter, other income has actually grown?

Vikram Mehra: Listen, typically there are some legal things that come in. Govind, you've been following us for a long time now. Please evaluate us on a 12-month basis, and if you see changes happening, please ask us questions. On a quarter-on-quarter basis, these things keep on moving.

Govindarajan: Okay. Just to point out, not to belabor the point, even on a rolling basis, there has been significant increase in unallocable costs in the last four years.

Vikram Mehra: Remove the other income part out of it. We were earning a decent amount from the interest income on the QIP money that was sitting with us. All of that has now been invested in Pocket Aces, some of the Haryanvi catalog that we ended up buying, and a position in Bhansali. So, you have other income coming down, but the investments have been made in great places over time. That is going to more than compensate for the loss of interest.

Govindarajan: Fair enough. And last question, if TikTok were to come back, what do you think would be the impact on the industry, both in terms of revenue opportunities as well as the...

Vikram Mehra: Very positive. We believe the market is going to become far bigger than what it is today. That's what we are seeing in every other part of the world. Second, the payment structures of TikTok are better. What structure are they going to come back to India with?

I'm nobody to comment on that. But going by some of the trends we have seen in other parts of the world, their payment structures are better, more suited towards IP owners. So, I think it will be great news if TikTok comes.

Govindarajan: Okay. Thank you.

Moderator: Next question is from the line of Akshay Kolekar from Dalal & Broacha. Please go ahead.

Akshay Kolekar: Congratulations on a good set of numbers. So, a couple of questions from my side. So, my first question is you have guided around 20% to 23% growth in music, artist management and retail. But in H1, the vertical has grown around 37%.

So, even though our TL albums like Love & War and Bhansali titles are due in Q4, with these releases still to come, should we expect higher FY27 growth, well above the guidance, since we see overall growth in the music industry? So, I just wanted to understand why we are more conservative with our guidance.

Vikram Mehra: Akshay, let me answer this. It's a very fair question. Our guidance is always given on a 3-to-5-year basis. We don't give guidance on a per-year basis. Things move here and there. So, on a 3-to-5-year basis, we are expecting music vertical to grow at a CAGR of 20% to 23%.

You may have a year where the numbers come down a bit, you may have a year where the numbers go up a bit, but on a steady basis, you're looking at 20% to 23% CAGR.

Akshay Kolekar: Understood. Okay. So, my second question is on the music segment. I see that your music margin has been up 700 bps year-on-year, from 48.4% to 55.4% EBIT margin. Is the operating leverage from new content, or is it directionally that paid is growing faster than ad-based? Where is the growth coming from? Is it from rate or volume? So, I want to understand…

Vikram Mehra: Sure, I think I addressed it in my opening statement. Let me answer again to explain. We had stated this in financial year '24 itself, that as we started investing heavily in newer content, in the initial year when you invest in content, the bump in revenue was just equal to the charge-off that we were taking on the content cost.

Some of those content investments that we made in financial year '24, '25 or '26 have now reached a stage whereby the revenue increase on account of them is far higher than the cost charge that we are taking. This is what we had said 3 years ago would happen, and slowly you are seeing it roll through. Have I answered it?

Akshay Kolekar: Yes. So, how is the growth in paid subscriptions compared to ad-based?

Vikram Mehra: It's paid subscription that is growing much, much faster than the ad-based stuff. And as you know, on a yield basis, when a song is heard by a paid customer versus the same song heard by a free customer, there's a much higher yield right now from a paid customer.

So, we are seeing movement happening: the world's biggest streaming platform, Spotify, is calling India its biggest growth opportunity, and the streaming business typically works on subscription and not on advertising.

There are moves being made by the world's biggest music label, Universal Music, which has agreed to a windowing concept in India, where some of its content goes first to the paid side and only at a later stage comes to free users. All these initiatives send a clear-cut message to the market that there is serious action happening, both between platforms and labels, to start growing the subscription business.

Akshay Kolekar: Understood. So, my last question is on the events business. Your events revenue was INR45 crores in Q2 and INR61 crores in H1, which is already close to FY26's INR62 crores. And Q3 and Q4 are usually the main live season for the segment. So, can you walk through the H2 pipeline? Is there a Diljit Dosanjh India tour confirmed in Q3, or any plan for…?

Vikram Mehra: See, the only part I can tell you for sure is that we are not doing Diljit. We have very high respect for Diljit Dosanjh. I think he's the greatest performer this country has ever seen. The financials were not working out. So, for this season in India, we are not working with him. But there is a Guru Randhawa show that's coming up.

There's UN40 coming up, and there's HaHaKaar coming up. There is another show by an artist who is bigger than Mid -level. I won't say a top artist, his tour is yet to be announced, but that's also coming up. So, there is a decent pipeline that we have. What we had in the first half of the year was a very successful Ilaiyaraaja tour in the US, which gave us the flip on the artist side, artist concert side.

So, yes, we have a full calendar sitting in front of us and we will keep on doing this balancing act within live events, whereby we will definitely do artist-based concerts. They are safer, but we will focus on IP a little more because in the long run, that's what's going to give us the pricing power.

Moderator: Thank you very much. The next question is from the line of Naveen Bothra from Shubh Lab Research. Please go ahead.

Naveen Bothra: Yes. Navin Bothra from Shubh Lab Research, Delhi. First of all, I would like to congratulate Vikram Mehra-ji for the excellent performance continuing over the last two to three quarters. And sir, my first question is regarding our Carvaan app. I want your observation on its performance.

I would like to express my view that the app is really engaging and intuitive, and along with music, some good features are also there. So, if you can throw some light on the operational metrics of our Carvaan app like number of paid subscribers and what are our long-term plans with this app for up-scaling new engagements?

Vikram Mehra: First, thank you. You congratulated me, but the real congratulations goes to the Board and the team. It's their backing, because of which we are able to show these numbers. Your question on the Carvaan app: the Carvaan app for us is still in the test phase. We have put some of our content out; we're experimenting with some of the other things to see if we can build a reasonably strong proposition for middle-aged to older people who in the earlier days bought a hardware Carvaan.

We have still not gone out and pushed it in the market. I think we will take this financial year to run all kinds of experiments with it, to understand what kind of content works and what doesn't work. We have no intention of making it a hardcore music streaming app.

There are much better people sitting out there than us. We want to build a community around older people, and Carvaan is a big draw there. It's an attempt in that particular direction. Give us

another four to six months. I think once the experimentation phase is over and we start pushing the app, at that time I will be able to share more details with you.

Naveen Bothra: Okay sir, that is quite helpful. And sir, the second question is connected to this one also. We have made a Carvaan Club. What is the plan for this as an engagement club?

Vikram Mehra: Sir, Carvaan Club is another way in which a community of people, older people who bought Carvaan at one time, can be connected. So, Carvaan Club people can go out there and meet each other on the Carvaan app or they can go for a Carvaan live event. So, if you see there's a Carvaan hardware, there are Carvaan live events where Kishore Kumar, Mohammed Rafi or Amitabh Bachchan songs are being played live and we are engaging people.

I earnestly request you: Bombay, Delhi and Bangalore are where we do these events. Please go and visit one of these events. And then this Carvaan app and all these three things we're trying to combine under Carvaan Club. I'm very happy that you are aware of this. Give us time. It is all still in the testing phase.

Naveen Bothra: Carvaan hardware, I can tell you that I have purchased 150 to 200 Carvaan units, ranging from mini to the biggest, karaoke, for myself and my friends, relatives and so on. I'm a Carvaan fan. These few questions: I just wanted to have your medium-term thinking about the monetization and engagement, sir.

Vikram Mehra: Let the testing phase and all the customer experimentation that we are doing get over. Right now, we are not spending money on it. We are just testing it with a small group of people who are Carvaan hardware owners to see what the response is, what works and what doesn't work. Give us until the end of the year and we will share more details.

Naveen Bothra: Okay, sir. Thank you very much.

Moderator: Thank you very much. The next question is from the line of Kumar Saurabh from Scientific Investing. Please go ahead.

Kumar Saurabh: Congratulations on a great set of numbers, sir, again this quarter. My question is around the events. So when we organize these events, I think I've seen on BookMyShow and all in Bangalore, the bookings happening. So what is our distribution model and how much do we share with these distributors, if you can highlight?

Vikram Mehra: Sir, I can't share the commercials, but what we will typically do is list our events on both platforms, BookMyShow and District by Zomato. Different kinds of events have different deal structures. The booking platform charges a nominal fee to manage the entire backend, and the profit and loss of the rest of the event sits with us.

Kumar Saurabh: Okay, so it's a very nominal share, right?

Vikram Mehra: Yes, sir. I think you may get more information by looking at District's numbers because I think they will have to go back and declare it. But those are nominal numbers, sir. The percentages. Because what they are providing is basically a ticketing platform.

Kumar Saurabh: Got it. And sir, my second question is on the Carvaan. So basically, if you see, the Carvaan business is for the older generation. If I see somebody who's 60 or 70 years old, earlier we didn't have this trend of community events and going to listen to music, but for the current generation, even the 40-year-old generation or the young 20-year-old generation, attending events and concerts is a regular activity.

So when you're thinking of all this community, I know it's a very new initiative, but is there a long-term plan of creating that kind of customer stickiness as the customer grows from young to middle-aged to old, so that the lifetime value of the customer can be monetized in different ways, especially given that 10, 15 years down the line, India will keep growing older and older? I just want to understand whether that is a long-term objective rather than just, in the short term, selling more Carvaan sets and all.

Vikram Mehra: No, sir. You're bang on. Building this community is not going to allow me to sell that many more Carvaan sets. Carvaan is really retailed through e-commerce sites. The game plan within the company is this only, as you stated. Can we build a community of middle-aged to older people who connect with each other in this digital world? There's a need to connect with each other that much more, and they connect with each other on the basis of music and entertainment.

That's a long-term play that we have. We happen to be the only music label, not just in India but globally, which has direct customer relationships. It's the Carvaan part which came out very, very handy for us. So now, we are the only label that has got hardware. We are the only label that is also selling live events.

So everybody else has a B2B relationship. We also have a B2C relationship. We are trying to use it in a more judicious fashion. We don't want to blow cash unnecessarily. We want to go slow but build an engaged community. And the advantage of community is exactly what you said. A person comes for event one, ends up buying maybe my next hardware also coming in, then goes for an event two, and maybe then also takes my app.

So we are trying to do it for the older people. Right now the two parts are kept separate. Older people are being targeted under Carvaan, while the younger part, the party people are doing, is happening either under FilterCopy or Saregama Brand part. But both sides we are trying to build engaged community because that is our USP compared to every other music label in the world.

Kumar Saurabh: Great, got it. Wish you all the best sir for coming quarters.

Vikram Mehra: Thank you.

Kumar Saurabh: Thank you.

Moderator: Thank you very much. The next question is from the line of Harshh from JM Financial, PMS. Please go ahead.

Harshh: Yes, hi. Thanks for the opportunity. A few questions from my side. Firstly, on artist management. If you could help us understand what exactly does this include? Is there some portion of Pocket Aces which also gets clubbed into this?

Vikram Mehra: Yes, sir. Both Pocket Aces and Saregama have a similar vertical of talent management. Within Saregama, there's a much larger focus on music. At Pocket Aces there is a lot of focus on music, entertainment also. So both get combined here. So what we do is take some of the entertainment based talent of Pocket Aces and feature them in the music videos that we are creating within Saregama. So in that sense they're all interlinked to each other.

Harshh: Sure. Sir, any split between what is getting contributed by Pocket Aces within artist management?

Vikram Mehra: No, sir. This is a combined number that we are talking about.

Harshh: Okay. And how should one, say, think about the growth in the next four, five years within this vertical? I ask this question because, if I look at the first half of FY27, the growth is almost 100%.

So on a sustainable basis, let's assume that currently what run-rate we are doing, more or less we should be doing around INR200-odd crores say in FY27, then is it safe to assume that at least maybe say 25%, 30% growth can continue say over the next four, five years within artist management only?

Vikram Mehra: We have never given individual vertical-wise growth projections; it becomes very difficult for us to handle. Our overall music is the only guidance that we give, which comprises licensing, retail and artist management, and as I stated earlier, on a short-to-medium-term basis we are looking at a 20% to 23% CAGR.

Harshh: Sure, no worries. And just lastly, anything on the monetization of shorts, say Instagram Reels or YouTube Shorts; any further update on it?

Vikram Mehra: I mean, nothing has changed on the commercial structures. These are still all fixed-fee deals.

Harshh: Anything which is about to get, say, maybe renegotiated or anything of that sort?

Vikram Mehra: The moment there is a change of structure, I'll be very happy to share the rest. Right now, there will be only speculation from our side, and I'll resist that.

Harshh: Sure. No worries. Thank you. That is it from me.

Moderator: Thank you very much. The next question is from the line of Pritesh Chheda from Lucky Investments. Please go ahead.

Pritesh Chheda: Just a data clarification question. So when you look at the way you report the music revenue, there are three data points across the presentation. In the segmental, your music revenue is reported as INR200 crores; on slide 10, it is reported as INR250 crores; and on slide 22, it's reported as INR230 crores. So, is there any reason why we interchangeably report music and artist management combined in some places and separately in others, and how should we interpret this?

Vikram Mehra: Sir, that's why, based on the advice of a couple of people, one of whom actually asked a question today, we have taken this conscious call: in our presentation, we will combine all three verticals together and then give you the data. If you look at the presentation, it's very easy for you to break out how much is licensing, how much is artist and how much is retail.

But for us, whenever we're giving any guidance, it will be from the music segment, all combined. For various reasons, our results are reported and broken into two segments. In the results, music licensing and retail come in one, and artist management comes in the other. What we as a team have always believed is that music licensing and artist management are one piece only. That's why we said, let's clear all the clutter. All three are combined into one thing, which is called music.

Pritesh Chheda: So if I take this…

Vikram Mehra: All three.

Pritesh Chheda: Sorry, go ahead sir.

Vikram Mehra: While we are giving you the breakup of all three segments in the presentation, what we call music comprises licensing, artist management and retail. The presentation will give you the revenues of each of these three segments separately also.

Pritesh Chheda: Okay. So if I take the segmental revenue of INR200 crores, which is reported for the quarter, and then if I take from the presentation, music retail at INR21 crores. Then basically the INR200 crores minus INR21 crores, INR179 crores, is basically the licensing revenue and INR21 crores is the retail revenue, right? The retail revenue will be the Carvaan revenue?

Vikram Mehra: Yes.

Pritesh Chheda: Correct. That's all the interpretation will be.

Vikram Mehra: Yes, absolutely sir.

Pritesh Chheda: Okay, done. Thank you.

Vikram Mehra: Left to me, I'll combine everything in my results also.

Pritesh Chheda: And your guidance, which you mentioned, is then at the Music plus Artist level, which is an INR250 crores revenue pool for the quarter and whatever is the annual number. When you say 20% to 23%, your guidance is on just that revenue pool of Music plus Artist.

Vikram Mehra: Yes. So what you see as INR250 crores at this moment, that number, on a 3-year to 5-year basis, will be growing at 20% to 23% CAGR.

Pritesh Chheda: Okay, done sir. Thank you very much sir. Thank you.

Moderator: Thank you. The next question is from the line of Ranjeet Verma from Sameeksha Capital. Please go ahead.

Ranjeet Verma: Yes, am I audible?

Vikram Mehra: Yes.

Ranjeet Verma: Could you throw some light on the split between digital and non-digital revenue in the music segment? And the second question is: any update on the negotiation with YouTube for Shorts monetization and Instagram deals? Also, current liabilities have increased by over INR100 crores, one of the key drivers of the strong reported CFO for H1. Could you throw some light on that?

Vikram Mehra: I'll ask Abhishek to take the question on the current liability. The first two parts, see as I've mentioned, the short format apps in the country are still working with all the labels on a fixed fee basis. We want them to move on a share of advertising basis. It hasn't happened yet.

The moment it happens, we'll be very happy to go and share that with you. You asked the other question, split between digital and non-digital revenue. Let's understand what is non-digital. Non-digital is the licensing that we issue to, say, a brand, licensing that we issue to a television channel, public performance, money that we get from radio. So the bulk of the revenues are coming from the digital side only.

The only parts showing decent growth on the non-digital side are two: one is the brand side and the other is the public performance side. The other two sources of revenue which are coming from the more conventional distribution platforms like TV channels and radio stations, they are growing at a much slower pace.

Ranjeet Verma: Okay, thank you, but could you quantify the split?

Vikram Mehra: No, this is competitor-sensitive data, and I will not be able to give those details. As I said, a large chunk comes from the digital side.

Ranjeet Verma: Okay, thank you very much. On current liability.

Abhisekh Kapoor: Yes, sure, I will take that, Ranjeet. To answer your question on current liabilities: typically in our model, we also receive advances from our customers, with different periodicities depending on the deals. So, this is towards the advances which we have received, and that's where you see a bit of a bump-up in current liabilities. Again, these revenues will get recognized over a period of time.

Ranjeet Verma: Okay, thank you that was all.

Moderator: Thank you very much. The next question is from the line of Aditya Nahar from Alpana Enterprises. Please go ahead.

Aditya Nahar: Hi, Vikram, Pankaj, congratulations on a great event and wish you all the very best. I have no questions, Vikram, and just wish you all the very best.

Vikram Mehra: Thanks. Thank you, Aditya, so sweet of you. Thank you.

Moderator: Thank you very much. The next question is from the line of Pooja Doshi, an Individual Investor. Please go ahead.

Pooja Doshi: Hi, firstly congratulations and thanks for the opportunity. Just I think you gave out a content spend number. You said it's INR300 crores to INR350 crores for FY27, and you gave out a number for the next three years. So could you please repeat it?

Vikram Mehra: So our guidance for the new content spends for the financial year '27 is anything between INR300 crores and INR350 crores.

Pooja Doshi: Okay.

Vikram Mehra: What we have said is that as we go beyond '27, our content budgets will start growing at a nominal pace of, say, 10% every year. So roughly, I said INR300 crores to INR350 crores will be this year. You take a midpoint of INR325 crores and start building on a 10% basis. So our guidance is that FY28, FY29 and FY30 combined new content spends will be around INR1,200 crores.

Pooja Doshi: Okay, got that. And just a clarification, would this include the SLB production content also, or is that a different deal that we had?

Vikram Mehra: It's not different; it's part of the same music part. So the way our entire structure with Bhansali Productions is, there is an equity structure that we have with them, which is on the company side. But the music deal is a completely separate deal that's happening with them. We are asking them the value for every piece of content we will be taking from them and all that will become part of this kitty. So we are definitely paying for Love & War.

Pooja Doshi: Okay, perfect. Understood. Thank you so much and all the best.

Vikram Mehra: Thank you.

Moderator: Thank you very much. The next question is from the line of Ravi Naredi from Naredi Investment. Please go ahead.

Ravi Naredi: Vikram-ji, how are you?

Vikram Mehra: Ravi-ji, I am very happy sir.

Ravi Naredi: Mr. Vikram-ji, you always give commentary in a smooth way, so our confidence rises this time much more than in previous quarters. Sir, where did the film-making business go? Did you sell the old movies, or something else?

Vikram Mehra: Sorry sir, I'm not clear about your question.

Ravi Naredi: The business of old movies which we made over so many years.

Vikram Mehra: The IP of many of those movies is all sitting with us. Many of those movies have been licensed out, almost all of them, to various platforms, with a majority of them for five years, some for seven years and others for 12 years.

Ravi Naredi: Right, right. So we are receiving revenue from them, right?

Vikram Mehra: That revenue that we got was recognized in the year in which the deal was done. We took the entire cost charge as well as the revenue, because everything has come to us.

Ravi Naredi: Okay, okay. Secondly, what is the main thing that gained profit in quarter two? Where did we gain the profits from?

Vikram Mehra: Sir, as I said, let's not look at one quarter. Overall, the trend has been what we had been projecting from FY24 end onwards, that as we continue investing in newer content, initially only the revenue was going up, but the charge that we were taking on account of that content was just neutralizing the increase in revenue; hence the bottom line was not getting touched at all.

As we are now reaching year three, year four of some of our content, the charge-off that we are taking is much smaller than the revenue we are getting from that content. It is just contributing towards the margin.

Some quarters' numbers will go up and some quarters' numbers will come down, depending on what the big releases were and when the marketing cost was booked. If you look on a 12-month basis, and this time, in our presentation, based on the recommendation of some of you, we have also provided a 12-month rolling view so that you get the comfort that on a 12-month rolling basis, for every quarter and the preceding 12 months, there's a steady improvement across all the parameters on the music side.

Ravi Naredi: Right, right, right. And sir lastly, small question, due to AI songs being made by the JNG, does it impact us in any way?

Vikram Mehra: When you say AI, do you mean AI video or AI music?

Ravi Naredi: AI songs.

Vikram Mehra: Sir, AI songs.

Ravi Naredi: Video songs.

Vikram Mehra: So AI is getting used in India primarily to do video and not to do audio as of now. But globally there is a lot happening where new music is also getting created using AI. All the data seems to be indicating, and it's there in the public domain, you can check it out, that there is a higher volume, and AI is doing a great job because you can churn out as many songs as you want in very little time.

So there is a lot of what we call AI slop which is getting generated, but any of these AI-based songs are getting extremely low listenership. The only place we have seen just a little smattering

of success is when AI tools are being used to create a version of an existing big song. We are ensuring that other people are not able to do that to our songs.

In fact, we go back and work with some of these creators and say, why don't you do a completely different version of my IP only and we will pay you some money for it. So, we are very bullish on the advent of AI. I think it's going to help large IP owners like us, but at the same time, we are wary that nobody should be able to infringe our content without taking a license from us.

Ravi Naredi: Okay, okay. All the best sir. Carry on such momentum in next quarters also.

Vikram Mehra: Thank you, sir.

Moderator: Thank you very much. As there are no further questions, I would now like to hand the conference over to management for closing comments.

Vikram Mehra: I think we have done a piece. As I said, we started this journey with a clear mandate coming from our board that we need to future-proof Saregama. We need to care about today, but we need to be equally concerned about what happens to Saregama 20 years down the line.

I'm happy to say that all the moves that have been made are pushing us in the right direction where you will not just be proud of the financial performance of the company today, but I think we'll be even prouder of what this company will be 20 years down the line. With your blessings, I think we will be able to achieve that. Thank you.

Moderator: Thank you very much. On behalf of Saregama India Limited and 360 ONE Capital Market, that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.