B S R & Co. LLP
Chartered Accountants

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Limited review report on unaudited quarterly standalone financial results and standalone year-to-date results of Saregama India Limited under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations')

To
Board of Directors of Saregama India Limited

1. We have reviewed the accompanying Statement of unaudited standalone financial results of Saregama India Limited ("the Company") for the quarter ended 30 September 2019 and year to date results for the period from 01 April 2019 to 30 September 2019 ("the Statement").

2. This Statement, which is the responsibility of the Company's management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in 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 and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to issue a report on the Statement based on our review.

3. We conducted our review of the Statement 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. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.

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
UDIN: 19055757AAAADR3639

Place: Kolkata
Date: 13 November 2019

Saregama India Limited
Registered Office: 33, Jessore Road, Dum Dum, Kolkata - 700 028
web: www.saregama.com, Email id: co.sec@saregama.com, Phone no: 033-2551-2984
CIN:L22213WB1946PLC014346

(Rs in Lakhs)

Statement of Unaudited Standalone Financial Results for the Three Months and Six Months Ended 30 September 2019

SL No.	Particulars	3 Months ended 30 September 2019 (Unaudited)	3 Months ended 30 June 2019 (Unaudited)	3 Months ended 30 September 2018 (Unaudited)	6 Months ended 30 September 2019 (Unaudited)	6 Months ended 30 September 2018 (Unaudited)	Year ended 31 March 2019 (Audited)
1	**Income**						
	(a) Revenue from operations	15,018	12,083	13,842	27,101	24,970	52,437
	(b) Other income	292	318	227	610	4,538	5,954
	Total Income	15,310	12,401	14,069	27,711	29,508	58,391
2	**Expenses**						
	(a) Contract manufacturing charges	4,362	2,417	7,068	6,779	11,709	21,481
	(b) Cost of production of films and television serials	1,837	1,440	1,214	3,277	2,537	4,883
	(c) Changes in inventories of finished goods and work-in-progress [(increase) /decrease]	(655)	490	(3,116)	(165)	(1,943)	(4,520)
	(d) Employee benefits expense	1,156	1,254	826	2,410	1,952	4,406
	(e) Finance costs	201	190	169	391	321	655
	(f) Depreciation and amortisation expense	110	113	86	223	173	301
	(g) Advertisement and sales promotion	3,008	2,959	2,631	5,967	4,850	9,992
	(h) Royalty expense	1,548	1,423	1,314	2,971	2,381	5,598
	(i) Other expenses	1,642	1,919	1,546	3,561	3,816	7,368
	Total Expenses	13,209	12,205	11,738	25,414	25,796	50,164
3	**Profit before exceptional items and tax (1-2)**	2,101	196	2,331	2,297	3,712	8,227
4	**Exceptional Items**	-	-	-	-	-	-
5	**Profit before tax (3-4)**	2,101	196	2,331	2,297	3,712	8,227
6	**Tax Expense**						
	(a) Current Tax	482	235	719	717	1,251	2,129
	(b) Deferred Tax (net)	(25)	(89)	116	(114)	106	905
	Total tax expense	457	146	835	603	1,357	3,034
7	**Profit for the period (5-6)**	1,644	50	1,496	1,694	2,355	5,193
8	**Other Comprehensive Income (net of taxes)**						
	(a) Items that will be reclassified to profit or loss	-	-	-	-	-	-
	(b) Items that will not be reclassified to profit or loss	(956)	(54)	(995)	(1,010)	(1,589)	(166)
	Total Other Comprehensive Income	(956)	(54)	(995)	(1,010)	(1,589)	(166)
9	**Total comprehensive income for the period (7+8)**	688	(4)	501	684	766	5,027
10	Paid-up Equity Share Capital (Face Value of Rs.10/- each)	1,742	1,742	1,741	1,742	1,741	1,741
11	Other equity						40,873
12	Earnings Per Share (Face Value Rs 10/- each): #						
	(a) Basic (Rs.)	9.43	0.29	8.59	9.72	13.53	29.83
	(b) Diluted (Rs.)	9.43	0.29	8.58	9.72	13.51	29.80

#Figures for three months and six months are not annualised.

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(Rs in Lakhs)

Standalone Segment wise Revenue, Results, Assets and Liabilities for the Three Months and Six Months Ended 30 September 2019

SL. No.	Particulars	3 Months ended 30 September 2019	3 Months ended 30 June 2019	3 Months ended 30 September 2018	6 Months ended 30 September 2019	6 Months ended 30 September 2018	Year ended 31 March 2019
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	**Segment Revenue**						
	(a) Music	12,290	10,654	12,637	22,944	22,607	47,672
	(b) Films/Television serials	2,728	1,429	1,205	4,157	2,363	4,765
	Total segment revenue	15,018	12,083	13,842	27,101	24,970	52,437
	Less: Inter Segment Revenue	-	-	-	-	-	-
	Total Revenue from Operations	15,018	12,083	13,842	27,101	24,970	52,437
2	**Segment Results**						
	(a) Music	2,091	1,366	3,099	3,457	5,485	12,218
	(b) Films/Television serials	531	(117)	19	414	(103)	(32)
	Total	2,622	1,249	3,118	3,871	5,382	12,186
	Less:						
	(a) Finance costs	201	190	169	391	321	655
	(b) Other unallocable expenditure net of unallocable income	320	863	618	1,183	1,349	3,304
	Total Profit Before Tax	2,101	196	2,331	2,297	3,712	8,227
3	**Segment Assets**						
	(a) Music	44,115	43,608	41,624	44,115	41,624	44,865
	(b) Films/Television serials	6,505	5,867	4,343	6,505	4,343	5,340
	(c) Unallocated	18,593	19,138	16,892	18,593	16,892	18,974
	Total Segment Assets	69,213	68,613	62,859	69,213	62,859	69,179
4	**Segment Liabilities**						
	(a) Music	13,787	13,008	13,181	13,787	13,181	12,253
	(b) Films/Television serials	1,249	1,380	636	1,249	636	824
	(c) Unallocated	11,519	11,610	10,684	11,519	10,684	13,488
	Total Segment Liabilities	26,555	25,998	24,501	26,555	24,501	26,565

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(Rs in Lakhs)

SL. No.	Standalone Statement of Assets and Liabilities Particulars	As at 30 September 2019 (Unaudited)	As at 31 March 2019 (Audited)
	ASSETS		
1	**Non-current assets**		
	(a) Property, plant and equipment	20,564	20,559
	(b) Right of use assets	86	-
	(c) Investment properties	233	236
	(d) Intangible assets	675	687
	(e) Investment in subsidiaries and joint venture	1,574	1,574
	(f) Financial assets		
	(i) Investments	11,049	12,124
	(ii) Loans	481	460
	(iii) Other financial assets*	3	0
	(g) Other non-current assets	140	154
	Total non-current assets	34,805	35,794
2	**Current assets**		
	(a) Inventories	9,409	9,244
	(b) Financial assets		
	(i) Trade receivables	14,052	11,296
	(ii) Cash and cash equivalents	321	145
	(iii) Bank balances other than (ii) above	184	179
	(iv) Loans	150	126
	(v) Other financial assets	19	9
	(c) Current tax assets (net)	3,836	3,364
	(d) Other current assets	6,437	9,022
	Total current assets	34,408	33,385
	TOTAL ASSETS	69,213	69,179
1	**EQUITY AND LIABILITIES**		
	EQUITY		
	(a) Equity share capital	1,742	1,741
	(b) Other equity	40,916	40,873
	Total Equity	42,658	42,614
	LIABILITIES		
2	**Non-current liabilities**		
	(a) Financial liabilities		
	(i) Lease liabilities	13	-
	(b) Employee benefit obligations	313	246
	(c) Deferred tax liabilities (net)	5,362	5,574
	Total non-current liabilities	5,688	5,820
3	**Current liabilities**		
	(a) Financial liabilities		
	(i) Borrowings	4,573	6,081
	(ii) Trade payables		
	a) Total outstanding dues of micro enterprises and small enterprises	-	2
	b) Total outstanding dues of creditors other than micro enterprises and small enterprises	5,758	5,253
	(iii) Lease liabilities	76	-
	(iv) Other financial liabilities	4,202	4,113
	(b) Other current liabilities	2,119	1,660
	(c) Provisions	3,979	3,555
	(d) Employee benefit obligations	160	81
	Total current liabilities	20,867	20,745
	TOTAL EQUITY AND LIABILITIES	69,213	69,179

*Represents value of less than Rs. 0.50 Lakh.

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(Rs in Lakhs)

Standalone Statement of Cash Flows

Sl. No.	Particulars	6 Months ended 30 September 2019 (Unaudited)		6 Months ended 30 September 2018 (Unaudited)	
	Profit Before Tax		2,297		3,712
A.	**Cash Flow from Operating Activities**				
	Adjustments for:				
	Depreciation and amortisation expense	223		173	
	Allowance for expected credit loss	183		607	
	Finance costs	391		321	
	Liabilities/Provisions no longer required written back	(146)		(398)	
	Interest income	(505)		(696)	
	Share based payment expense	1		11	
	Bad debts/advances written off	-		10	
	Net gain on unrealised foreign currency transactions/ translation	(4)		(5)	
	Loss on disposal of Property, plant and equipment*	-		0	
	Profit on sale of Investment in Mutual Fund*	(0)	143	-	23
	Operating profit before Working Capital Changes		2,440		3,735
	Adjustments for:				
	(Increase)/Decrease in Other financial assets, Other current assets, Loans, Other non-current assets	2,478		(3,533)	
	Increase in Other financial liabilities, Provisions, Other current liabilities	1,296		2,748	
	Increase in Trade payables	503		630	
	Increase in Employee benefit obligations	65		21	
	Increase in Trade receivables	(2,616)		(3,531)	
	Increase in Inventories	(165)	1,561	(1,943)	(5,608)
	Cash generated from operations		4,001		(1,873)
	Income taxes paid (net of refund)		(1,189)		29
	Net cash generated from / (used in) Operating Activities (A)		2,812		(1,844)
B.	**Cash Flow from Investing Activities**				
	Purchase of Property, plant and equipment	(174)		(1,020)	
	Sale of Property, plant and equipment*	-		0	
	Interest received	118		524	
	Loan given to Subsidiary Companies	(230)		(580)	
	Investment in Mutual funds	(50)		-	
	Proceeds from sale of Investment in Mutual funds	50		-	
	Fixed deposits placed with banks (with maturity more than 3 months)	(3)		-	
	Net cash used in Investing Activities (B)		(289)		(1,076)
C.	**Cash Flow from Financing Activities**				
	(Repayment of) / Proceeds from Short term borrowings	(1,508)		3,300	
	Proceeds form issue of Share capital	16		-	
	Dividend paid	(523)		(522)	
	Dividend distribution tax paid	(107)		(107)	
	Interest paid	(225)		(185)	
	Net cash generated from / (used in) Financing Activities (C)		(2,347)		2,486
	Net decrease in cash and cash equivalents (A+B+C)		176		(434)
	Cash and Cash Equivalents at the beginning of the period		145		636
	Cash and Cash Equivalents at the end of the period		321		202

*Represents value of less than Rs. 0.50 Lakh.

Note: The above Standalone Statement of Cash Flow has been prepared under the "Indirect Method" as set out in Ind AS 7 - "Statement of Cash Flows".

NOTES:

1 The aforementioned results for the three months and six months ended 30 September 2019 have been reviewed and recommended by the Audit Committee in their meeting held on 13 November 2019 and approved by the Board of Directors of the Company at their meeting held on even date. These results have been subjected to "limited review" by the Statutory Auditors of the Company who have issued an unmodified review report on the standalone financial results for the three months and six months ended 30 September 2019.

2 With effect from 01 April 2019, the Company has adopted Ind AS - 116 "Leases" using the modified retrospective approach and accordingly previous period information has not been reinstated. Under this approach, the Company has recognised lease liabilities and corresponding equivalent right-of-use assets.
During the three months and six months ended 30 September 2019, operating lease expenses which were recognised as other expenses in previous periods is now recognised as depreciation expense for the right-of-use asset and finance cost for interest accrued on lease liability. The application of Ind AS - 116 did not have any significant impact on these financial results.

3 Out of the 53,38,628 equity shares of Rs. 10/- each issued for cash at a premium of Rs. 35/- (issue price - Rs. 45/-) pursuant to the Rights Issue in 2005, allotment of 5,290 equity shares (relating to cases under litigation / pending clearance from concerned authorities) were in abeyance till 30 September 2019.

4 Based on the guiding principles given in Ind AS 108 on "Operating Segments", the Company's business activity falls within two operating segments, namely:
(a) Music
(b) Films/Television serials
Segment Revenue, Results, Assets and Liabilities represent amounts identifiable to each of the segments. Other "unallocable expenditure net of unallocable income" mainly includes interest income, expenses on common services not directly identifiable to individual segments and corporate expenses.
Segment Assets and Segment Liabilities are as at 30 September 2019, 30 June 2019, 30 September 2018 and 31 March 2019. Unallocable corporate assets less Unallocable corporate liabilities mainly represent investment of surplus funds and cash and bank balances.

5 The Company elected to exercise the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised Provision for Income tax for the six months ended 30 September 2019 and re-measured its Deferred tax assets /liabilities basis the rate prescribed in the said section. The full impact of this change has been recognised in the current quarter ended 30 September 2019.

6 The figures of the previous periods/year have been regrouped/ reclassified, wherever necessary, to conform to the classification for the three months and six months ended 30 September 2019.

7 For more details on Results, visit Investor Relations section of our website at http://www.saregama.com and Financial Results under Corporates section of www.nseindia.com and www.bseindia.com.

For and on behalf of the Board of Directors of Saregama India Limited

Vikram Mehra
Managing Director
DIN: 03556680

Kolkata
13 November 2019

SAREGAMA INDIA LTD.

S R & Co. LLP Kolkata

B S R & Co. LLP
Chartered Accountants

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Limited review report on unaudited quarterly consolidated financials results and consolidated year-to-date results of Saregama India Limited under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations')

To

Board of Directors of Saregama India Limited

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of Saregama India Limited ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), for the quarter ended 30 September 2019 and year to date results for the period from 01 April 2019 to 30 September 2019 ("the Statement"), being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulation'). Attention is drawn to the fact that the consolidated figures for the corresponding quarter ended 30 September 2018 and the corresponding period from 01 April 2018 to 30 September 2018, as reported in these financial results have been approved by the Parent's Board of Directors, but have not been subjected to review since the requirement of submission of quarterly consolidated financials results has become mandatory only from 01 April 2019.

2. This Statement, which is the responsibility of the Parent's management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in 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 and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement 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 interim financial information 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.

   We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

B S R & Co. LLP Kolkata

Limited review report on unaudited quarterly consolidated financials results and consolidated year-to-date results of Saregama India Limited under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') ***(Continued)***

4. The Statement includes the results of the following entities:

Parent:
Saregama India Limited

Subsidiaries:
a. Kolkata Metro Networks Limited
b. Open Media Networks Private Limited
c. RPG Global Music Limited
d. Saregama Plc
e. Saregama FZE
f. Saregama Inc (Step-down subdidiary)

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 Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. We did not review the interim financial information of one subsidiary included in the Statement, whose interim financial information reflect total assets of Rs. 608.38 Lakhs as at 30 September 2019 and total revenue of Rs. 782.52 Lakhs and Rs. 926.93 Lakhs, total net profit/(loss) after tax of Rs. 189.63 Lakhs and (Rs. 220.67 Lakhs) and total comprehensive income/(loss) of Rs. 190.05 Lakhs and (Rs. 219.83 Lakhs) for the quarter ended 30 September 2019 and for the period from 01 April 2019 to 30 September 2019, respectively, and net cash inflows of Rs. 116.61 Lakhs for the period from 01 April 2019 to 30 September 2019, as considered in the Statement. This interim financial information has been reviewed by other auditor whose report has been furnished to us by the management and our conclusion on the 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 Statement is not modified in respect of the above matter.

B S R & Co. LLP Kolkata

Limited review report on unaudited quarterly consolidated financials results and consolidated year-to-date results of Saregama India Limited under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') ***(Continued)***

7. The Statement includes the interim financial information of five subsidiaries which have not been reviewed/audited, whose interim financial information reflect total assets of Rs. 4,361.90 Lakhs as at 30 September 2019 and total revenue of Rs. 748.70 Lakhs and Rs. 1,279.20 Lakhs, total net profit after tax of Rs. 54.96 Lakhs and Rs. 53.63 Lakhs and total comprehensive loss of Rs. 106.54 Lakhs and Rs. 124.50 Lakhs for the quarter ended 30 September 2019 and for the period from 01 April 2019 to 30 September 2019, respectively and net cash inflows of Rs. 246.83 Lakhs for the period from 01 April 2019 to 30 September 2019, as considered in the Statement. 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 Statement 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

Jayanta Mukhopadhyay
Partner
Membership No.: 055757
UDIN: 19055757AAAADS2583

Place: Kolkata
Date: 13 November 2019

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web: www.saregama.com, Email id: co.sec@saregama.com, Phone no: 033-2551-2984
CIN:L22213WB1946PLC014346

(Rs in Lakhs)

Statement of Unaudited Consolidated Financial Results for the Three Months and Six Months Ended 30 September 2019

SL No.	Particulars	3 Months ended 30 September 2019	3 Months ended 30 June 2019	3 Months ended 30 September 2018	6 Months ended 30 September 2019	6 Months ended 30 September 2018	Year ended 31 March 2019
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	**Income**						
	(a) Revenue from operations	15,746	12,590	14,410	28,336	26,079	54,472
	(b) Other income	294	218	103	512	4,300	5,641
	Total Income	16,040	12,808	14,513	28,848	30,379	60,113
2	**Expenses**						
	(a) Cost of material consumed/ Contract manufacturing charges	4,490	2,695	7,175	7,185	11,998	22,161
	(b) Cost of production of films and television serials	1,837	1,440	1,215	3,277	2,537	4,883
	(c) Changes in inventories of finished goods and work-in-progress [(increase) /decrease]	(600)	384	(3,101)	(216)	(1,997)	(4,703)
	(d) Employee benefits expense	1,548	1,544	1,184	3,092	2,584	5,651
	(e) Finance costs	201	190	170	391	322	656
	(f) Depreciation and amortisation expense	114	118	94	232	190	333
	(g) Advertisement and sales promotion	2,623	3,076	2,713	5,699	5,104	10,485
	(h) Royalty expense	1,548	1,423	1,314	2,971	2,381	5,592
	(i) Other expenses	1,880	1,916	1,349	3,796	3,475	6,587
	Total Expenses	13,641	12,786	12,113	26,427	26,594	51,645
3	**Profit before exceptional items and tax (1-2)**	2,399	22	2,400	2,421	3,785	8,468
4	**Exceptional Items**	-	-	-	-	-	-
5	**Profit before tax (3-4)**	2,399	22	2,400	2,421	3,785	8,468
6	**Tax Expense**						
	(a) Current Tax	482	235	718	717	1,250	2,130
	(b) Deferred Tax (net)	(25)	(89)	116	(114)	106	905
	Total tax expense	457	146	834	603	1,356	3,035
7	**Profit for the period (5-6)**	1,942	(124)	1,566	1,818	2,429	5,433
8	**Other Comprehensive Income (net of taxes)**						
	(a) Items that will be reclassified to profit or loss	1	35	(1)	36	(6)	66
	(b) Items that will not be reclassified to profit or loss	(1,155)	(69)	(1,223)	(1,224)	(1,952)	(202)
	Total Other Comprehensive Income	(1,154)	(34)	(1,224)	(1,188)	(1,958)	(136)
9	**Total comprehensive income for the period (7+8)**	788	(158)	342	630	471	5,297
10	**Profit for the period attributable to:**						
	(a) Owner of the Company	1,926	(130)	1,541	1,796	2,389	5,412
	(b) Non-controlling Interest	16	6	25	22	40	21
11	**Other Comprehensive Income for the period attributable to:**						
	(a) Owner of the Company	(1,155)	(42)	(1,224)	(1,197)	(1,957)	(150)
	(b) Non-controlling Interest*	1	8	(0)	9	(1)	14
12	**Total Comprehensive Income for the period attributable to:**						
	(a) Owner of the Company	771	(172)	317	599	432	5,262
	(b) Non-controlling Interest	17	14	25	31	39	35
13	Paid-up Equity Share Capital (Face Value of Rs.10/- each)	1,742	1,742	1,741	1,742	1,741	1,741
14	Other equity						41,067
15	Earnings Per Share (Face Value Rs 10/- each): #						
	(a) Basic (Rs.)	11.06	(0.75)	8.85	10.31	13.72	31.20
	(b) Diluted (Rs.)	11.06	(0.75)	8.83	10.31	13.70	31.18

* Represents value less than Rs.0.50 Lakh.

#Figures for three months and six months are not annualised.

B S R & Co. LLP Kolkata

SAREGAMA INDIA LTD.

Saregama India Limited
Registered Office: 33, Jessore Road, Dum Dum, Kolkata - 700 028
web: www.saregama.com, Email id: co.sec@saregama.com, Phone no: 033-2551-2984
CIN:L22213WB1946PLC014346

(Rs in Lakhs)

Consolidated Segment wise Revenue, Results, Assets and Liabilities for the Three Months and Six Months Ended 30 September 2019

Sl No.	Particulars	3 Months ended 30 September 2019	3 Months ended 30 June 2019	3 Months ended 30 September 2018	6 Months ended 30 September 2019	6 Months ended 30 September 2018	Year ended 31 March 2019
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	**Segment Revenue**						
	(a) Music	12,720	11,017	13,036	23,737	23,393	48,969
	(b) Films/Television serials	2,728	1,429	1,205	4,157	2,363	4,765
	(c) Publication	298	144	169	442	323	738
	Total Segment Revenue	15,746	12,590	14,410	28,336	26,079	54,472
	Less: Inter Segment Revenue	-	-	-	-	-	-
	Total Revenue from Operations	15,746	12,590	14,410	28,336	26,079	54,472
2	**Segment Results**						
	(a) Music	2,687	1,300	3,641	3,987	6,433	12,278
	(b) Films/Television serials	531	(117)	19	414	(103)	(32)
	(c) Publication	(295)	(305)	(347)	(600)	(631)	(1,030)
	Total	2,923	878	3,313	3,801	5,699	11,216
	Less:						
	(a) Finance costs	201	190	170	391	322	656
	(b) Other unallocable expenditure net of unallocable income	323	666	743	989	1,592	2,092
	Total Profit Before Tax	2,399	22	2,400	2,421	3,785	8,468
3	**Segment Assets**						
	(a) Music	44,490	43,903	41,551	44,490	41,551	45,015
	(b) Films/Television serials	6,505	5,867	4,343	6,505	4,343	5,340
	(c) Publication	578	457	403	578	403	517
	(d) Unallocated	19,381	20,140	17,692	19,381	17,692	20,008
	Total Segment Assets	70,954	70,367	63,989	70,954	63,989	70,880
4	**Segment Liabilities**						
	(a) Music	14,290	13,980	13,431	14,290	13,431	12,645
	(b) Films/Television serials	1,249	1,380	636	1,249	636	824
	(c) Publication	337	377	504	337	504	326
	(d) Unallocated	12,017	11,712	11,166	12,017	11,166	14,015
	Total Segment Liabilities	27,893	27,449	25,737	27,893	25,737	27,810

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CIN:L22213WB1946PLC014346

(Rs in Lakhs)

Consolidated Statement of Assets and Liabilities

Sl. No.	Particulars	As at 30 September 2019 (Unaudited)	As at 31 March 2019 (Audited)
	ASSETS		
1	**Non-current assets**		
	(a) Property, plant and equipment	20,572	20,571
	(b) Right of use assets	86	-
	(c) Investment properties	233	236
	(d) Intangible assets	695	713
	(e) Financial assets		
	(i) Investments	13,517	14,834
	(ii) Loans	517	492
	(iii) Other financial assets*	3	0
	(f) Other non-current assets	152	161
	Total non-current assets	35,775	37,007
2	**Current assets**		
	(a) Inventories	9,836	9,630
	(b) Financial assets		
	(i) Trade receivables	13,637	10,975
	(ii) Cash and cash equivalents	1,040	500
	(iii) Bank balances other than (ii) above	184	179
	(iv) Loans	19	16
	(v) Other financial assets	8	5
	(c) Current tax assets (net)	3,964	3,490
	(d) Other current assets	6,491	9,078
	Total current assets	35,179	33,873
	TOTAL ASSETS	70,954	70,880
1	**EQUITY AND LIABILITIES**		
	EQUITY		
	(a) Equity share capital	1,742	1,741
	(b) Other equity	41,026	41,067
	Total Equity Attributable to owners of the Company	42,768	42,808
	Non Controlling Interests	293	262
	Total Equity	43,061	43,070
	LIABILITIES		
2	**Non-current liabilities**		
	(a) Financial liabilities		
	(i) Lease liabilities	13	-
	(b) Employee benefit obligations	350	283
	(c) Deferred tax liabilities (net)	5,564	5,805
	Total non-current liabilities	5,927	6,088
3	**Current liabilities**		
	(a) Financial liabilities		
	(i) Borrowings	4,869	6,377
	(ii) Trade payables		
	a) Total outstanding dues of micro enterprises and small	-	2
	b) Total outstanding dues of creditors other than micro enterprises and small enterprises	6,243	5,643
	(iii) Lease liabilities	76	-
	(iv) Other financial liabilities	4,360	4,213
	(b) Other current liabilities	2,259	1,832
	(c) Provisions	3,992	3,567
	(d) Employee benefit obligations	167	88
	Total current liabilities	21,966	21,722
	TOTAL EQUITY AND LIABILITIES	70,954	70,880

* Represents value of less than Rs.0.50 Lakh.

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(Rs in Lakhs)

Consolidated Statement of Cash Flows

Sl. No.	Particulars	6 Months ended 30 September 2019 (Unaudited)		6 Months ended 30 September 2018 (Unaudited)	
	Profit Before Tax		2,421		3,785
A.	**Cash Flow from Operating Activities**				
	Adjustments for:				
	Depreciation and amortisation expense	232		190	
	Allowance for expected credit loss	(108)		(176)	
	Finance costs	391		322	
	Liabilities/Provisions no longer required written back	(146)		(398)	
	Interest income	(402)		(456)	
	Share based payment expense	1		11	
	Bad debts/advances written off	-		12	
	(Profit) / Loss on disposal of Property, plant and equipment*	(0)		0	
	Profit on sale of Investment in Mutual Fund*	(0)		-	
	Net (gain) / loss on unrealised foreign currency transactions/ translation	2		(35)	
	Exchange differences on translation of foreign operations	36		(6)	
			6		(536)
	Operating profit before Working Capital Changes		2,427		3,249
	Adjustments for:				
	(Increase)/Decrease in Other financial assets, Other current assets, Loans, Other non-current assets	2,578		(3,299)	
	Increase in Other financial liabilities, Provisions, Other current liabilities	1,325		2,689	
	Increase in Trade payables	598		744	
	Increase in Employee benefit obligations	65		22	
	Increase in Trade receivables	(2,544)		(3,599)	
	Increase in Inventories	(207)		(1,999)	
			1,815		(5,442)
	Cash generated from operations		4,242		(2,193)
	Income taxes paid (net of refund)		(1,191)		21
	Net cash generated from / (used in) Operating Activities (A)		3,051		(2,172)
B.	**Cash Flow from Investing Activities**				
	Purchase of Property, plant and equipment	(177)		(1,022)	
	Sale of Property, plant and equipment*	0		0	
	Interest received	19		284	
	Investment in Mutual funds	(50)		-	
	Proceeds from sale of Investment in Mutual funds	50		-	
	Fixed deposits placed with banks (with maturity more than 3 months)	(3)		-	
	Net cash used in Investing Activities (B)		(161)		(738)
C.	**Cash Flow from Financing Activities**				
	(Repayment of) / Proceeds from Short term borrowings	(1,508)		3,300	
	Proceeds form issue of Share capital	16		-	
	Dividend paid	(523)		(522)	
	Dividend distribution tax paid	(107)		(107)	
	Interest paid	(225)		(186)	
	Net cash generated from / (used in) Financing Activities (C)		(2,347)		2,485
	Net decrease in cash and cash equivalents (A+B+C)		543		(425)
	Cash and Cash Equivalents at the beginning of the period		500		922
	Effect of exchange rate on translation of foreign currency cash and cash equivalents		(3)		(1)
	Cash and Cash Equivalents at the end of the period		1,040		496

*Represents value of less than Rs. 0.50 Lakh.

Note: The above Consolidated Statement of Cash Flow has been prepared under the "Indirect Method" as set out in Ind AS 7 - "Statement of Cash Flows".

B S R & Co. LLP Kolkata

SAREGAMA INDIA LTD.

NOTES:

1 The aforementioned results for the three months and six months ended 30 September 2019 have been reviewed and recommended by the Audit Committee in their meeting held on 13 November 2019 and approved by the Board of Directors of the Parent Company at their meeting held on even date. These results have been subjected to "limited review" by the Statutory Auditors of the Parent Company who have issued an unmodified review report on the consolidated financial results for the three months and six months ended 30 September 2019.

2 With effect from 01 April 2019, the Group has adopted Ind AS - 116 "Leases" using the modified retrospective approach and accordingly previous period information has not been reinstated. Under this approach, the Group has recognised lease liabilities and corresponding equivalent right-of-use assets.
During the three months and six months ended 30 September 2019, operating lease expenses which were recognised as rent expenses in previous periods is now recognised as depreciation expense for the right of use assets and finance cost for interest accrued on lease liability. The application of Ind AS - 116 did not have any significant impact on these financial results.

3 The consolidated financial results for the three months and six months ended 30 September 2018 was not subjected to limited review by the Statutory Auditors of the Company since the requirement of submission of quarterly consolidated results has become mandatory only from 01 April 2019.

4 The Consolidated financial results are prepared in accordance with the principles and procedures as set out in Ind AS 110, notified by Ministry of Corporate Affairs. The consolidated financial results of the Company include its five subsidiaries, i.e. Saregama Plc., RPG Global Music Limited, Saregama FZE ,Kolkata Metro Networks Limited and Open Media Network Private Limited, (hereinafter referred as "Group") combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses eliminating intra-company balances and transactions and resulting unrealised gains/losses. The Consolidated financial results are prepared applying uniform accounting policies. The Group has one joint venture i.e. Saregama Regency Optimedia Private Limited, which is under liquidation with effect from 19 September 2016. Accordingly, this entiy has not been consolidated by the Group.

5 Based on the guiding principles given in Ind AS 108 on "Operating Segments", the Group's business activity falls within three operating segments, namely:
(a) Music
(b) Films/Television serials
(c) Publication

Segment Revenue, Results, Assets and Liabilities represent amounts identifiable to each of the segments. Other "unallocable expenditure net of unallocable income" mainly includes interest income, expenses on common services not directly identifiable to individual segments and corporate expenses.
Segment Assets and Segment Liabilities are as at 30 September 2019, 30 June 2019, 30 September 2018 and 31 March 2019. Unallocable corporate assets less unallocable corporate liabilities mainly represent investment of surplus funds and cash and bank balances.

6 The figures of the previous periods/year have been regrouped/ reclassified, wherever necessary, to conform to the classification for the three months and six months ended 30 September 2019.

7 For more details on Results, visit Investor Relations section of our website at http://www.saregama.com and Financial Results under Corporates section of www.nseindia.com and www.bseindia.com.

For and on behalf of the Board of Directors of Saregama India Limited

Vikram Mehra
Managing Director
DIN: 03556680

Kolkata
13 November 2019

S R B C & CO. LLP Kolkata

SAREGAMA INDIA LTD.

Saregama India

Q2 FY20 Result Conference Call

14 November 2019 (Thursday), at 3:00 pm IST

Hosted by Anand Rathi Research

Participants

Mr Vikram Mehra

(Managing Director)

Mr Vineet Garg

(CFO)

Mr B L Chandak

(Executive Director – RP Sanjiv Goenka Group)

Primary Access Numbers for Participants

Mumbai Access: 022 6280 1386 / 7115 8287

Local Access: 7045671221

(Ahmedabad, Bangalore, Chandigarh, Chennai, Cochin, Delhi (NCR), Gurgaon (NCR), Hyderabad, Kolkata, Lucknow, Pune)

International Access

USA: +1 866 746 2133	Hong Kong: 800 964 448
UK: 0808 101 1573	Singapore: 800 101 2045

For further information, please contact
Call Leaders

Shobit Singhal

Office No: (022) 6626 6511

Mobile: 9768637537

Press release for the results of Saregama India Limited.

for the Quarter ended September 30, 2019

25% Q-o-Q Growth in Consolidated Revenue from Operations

Mumbai, Nov 13, 2019: Saregama, India's oldest music label and the youngest movie studio, announced its financial results for the 2nd Quarter ended Sep 30. Company's consolidated Revenue from Operations for the Q2 FY20 is Rs. 1575 Mn as compared to Rs.1259 Mn in Q1FY20, an increase of 25% Q-o-Q. Consolidated PAT for the Q2 FY20 is Rs 194 Mn in comparison to Rs (12) Mn in last quarter and Rs 157 Mn in last year same quarter.

Licensing Income continued on its growth trajectory and registered 21% growth in revenue on Y-o-Y basis in H1 FY20.

Inspite of lower footfalls in Consumer Durable and Telecom outlets during this festival season, Carvaan sales managed to grow. The number of units sold went up by 14% Q-o-Q to 250 K, and 19% on half yearly basis to 469K. The company continued its focus on increasing its penetration in mid and small-towns through awareness campaign and distribution network expansion.

This was a great quarter for the films division, Yoodlee, which licensed 4 movies during this quarter; out of which 2 movies were delivered to Hotstar. Yoodlee films has the rare honor of being the only production house having original films on both Netflix and Hotstar.

Financial Highlights:

Financial Summary – Consolidated – Quarter-2 FY 2019-20.

Particulars (INR Mn)

Particulars (INR Mn)	Q2-FY20	Q1-FY20	Q-o-Q Growth	Q2-FY19	Y-o-Y
Revenues					
• Music	1272	1102	15%	1304	-2%
• TV & Films	273	143	90%	120	128%
• Publication	30	14	114%	17	76%
Total Revenue from Operation	1575	1259	25%	1441	9%
PBT	240	2		240	0%
PAT	194	-12		157	24%

RP-Sanjiv Goenka Group

SAREGAMA INDIA LIMITED

Q2 / FY20 EARNINGS PRESENTATION


Roja
No 1
Serial in TN

Snapshot

India's oldest music label and youngest film production house

Producing digital thematic films targeted at the youth segment

High Dividend Yield and a Zero Debt Company

Leading producer in terms of number of hours of content produced for Tamil television serials

Strong and professional management team with experienced stalwarts from the entertainment industry

Revolutionary product Carvaan: Digital Music Player with 5000 preloaded songs, easy UI and high quality speakers

Owning Intellectual Property (IP) rights for more than 120,000 songs, 5,900+ hours of television serials and 25 movies

Digital licensing agreements across global OTT platforms, TV channels, radio stations, telcos

India's first song was recorded in 1902 under the company. Earlier retailed under the name Gramophone Company of India, and then HMV

saregama

soul of India

Strategic Overview

Rising Smartphone Ownership 450-500M	Falling Piracy	Falling Data Prices > Rs3/GB	Rising Individual based Content Consumption

Content Consumption thru Legal means Going Up

Indians spent 30% of their phone time on entertainment	**325M people viewed video online in 2018 growing @25%**	**Avg. data consumption went from 4 to 8 GB/pm**

Greater Monetisation opportunities for Premium Content IP Owners

ADVANTAGE SAREGAMA

120k songs IP across 18 Indian languages + *20% Market Share in New Film Music in next 3 yrs*	25 Films IP + 50 New Films over next 3 years	5900+ hrs of Tamil serial content IP + 1800 hours of new content over next 3 yrs

Strategic Overview

Saregama's long term strategy : To be a Pure Play Content Company capitalising on the global data driven entertainment boom

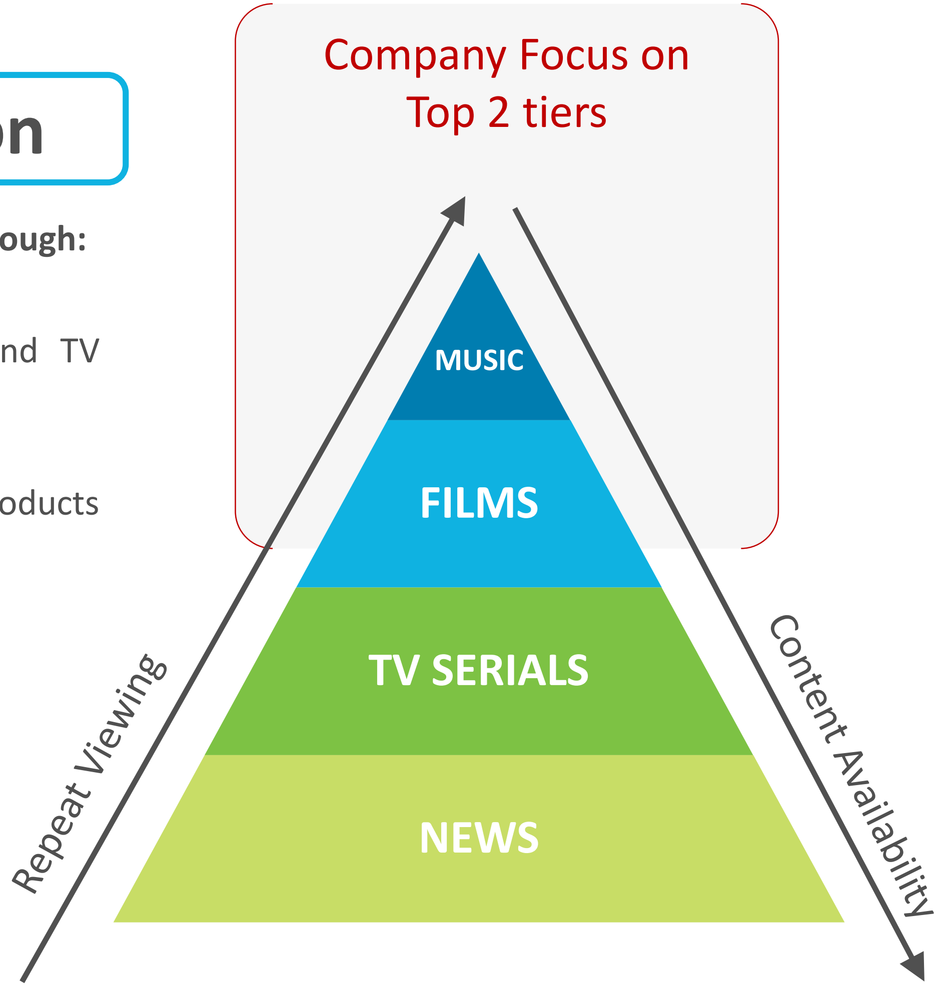
Diversified monetisation of Existing IP to fund IP Creation for Future

IP Monetisation

Higher monetisation of existing content through:

Greater presence on 3rd party digital and TV platforms globally

Launch of Saregama branded physical products with embedded music



IP Creation

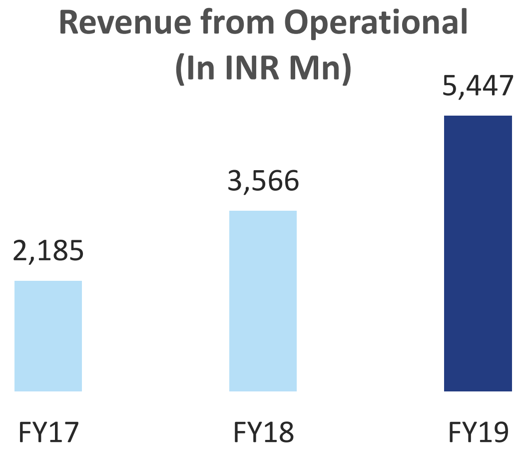
New film music acquisition across Hindi, Tamil, Marathi and other languages

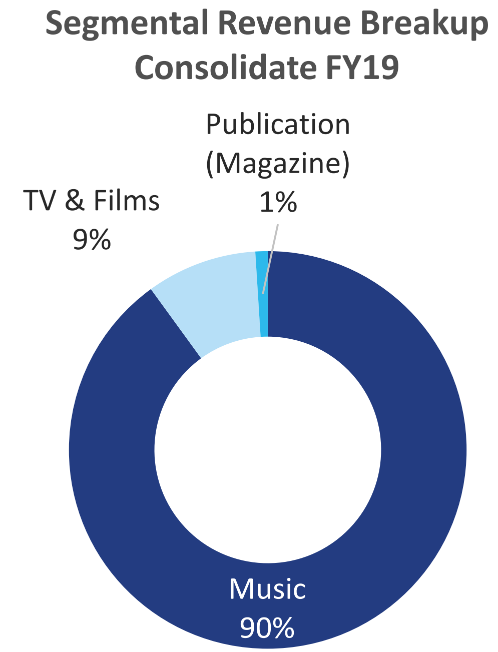
Production of thematic films / series targeted at youth consuming on digital platforms

TV programs in South Indian languages

Company Overview

- Saregama India Ltd., a RP Sanjiv Goenka Group Company, is India's oldest music label, youngest film studio and a multi-language TV content producer. Over the years, the Company has expanded its business from audio to films, TV serials, publishing, digital , retail and events.
- The Company has a music library of 1.2 lakh songs, covers 18 languages spread across eight music categories – Bollywood, regional films, ghazals, devotional classical, Indian pop and kids music.
- Since 2017, Saregama has been making headlines again owing to the launch of two unique initiatives, Saregama Carvaan and Yoodlee Films.
- Carvaan is a perfect blend of digital technology and a retro form factor, in less than a year from its launch, it is now Saregama's flagship product.
  - Saregama Carvaan, Carvaan Premium, Carvaan Gold and Carvaan mini are portable digital music players that come with features such as Bluetooth, USB, FM/AM and a collection of in-built songs.
- Yoodlee Films, Saregama's film production arm is positions as writers studio. The films produced by the studio are driven by the powerful stories targeted at young audiences across the words who primarily consume content on personal devices
- 5,900+ hours of Tamil serial programming telecast on Sun TV and features in top 3 slots of afternoon prime time.





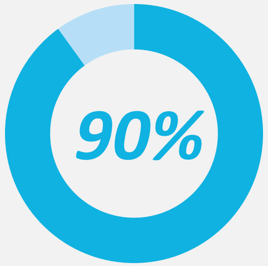
Business Verticals

Saregama is the pioneer of the Indian music industry and has evolved into a premier diversified content player with Intellectual property rights of songs, TV serials, movies having presence across platforms like television, radio, digital, telecom, etc.

Business Verticals

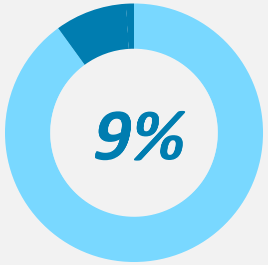
FY19 Revenue Share

MUSIC



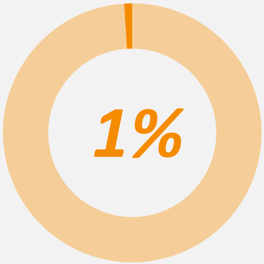
- Includes intellectual property monetisation of music content.
- The Company owns global and perpetual rights for over 120,000 songs.
- The revenue is driven from various B2B partners like streaming online platforms, radio, television, caller ring tone, Youtube, brand advertisements, films, etc.
- The Company launched its revolutionary product 'Carvaan' in 2017, an innovative digital audio player with preloaded songs and other features like USB and FM radio which has been highly acclaimed and has taken the market by storm. It has now added a wifi based return path supporting streaming content also

TV & FILMS



- This segment has leadership in Tamil Sun Network channels and has been producing content for Sun TV for last 17 years and broadcast 3-4 serials on Sun TV at any given time
- Company owns rights to 5,900+ hours of Tamil Series
- Yoodlee Films is the production division which focuses on thematic digital films in all languages with tightly controlled budgets

PUBLICATIONS



- This segment includes the publication of Open Magazine and a weekly current affairs and features magazine.
- Open has sustained circulation and ad revenues with an association of premium brands including Audi, Omega, Volkswagen, Toyota, Honda, Samsung, Airtel, IBM, HP, TAJ, ITC, Skoda, etc.

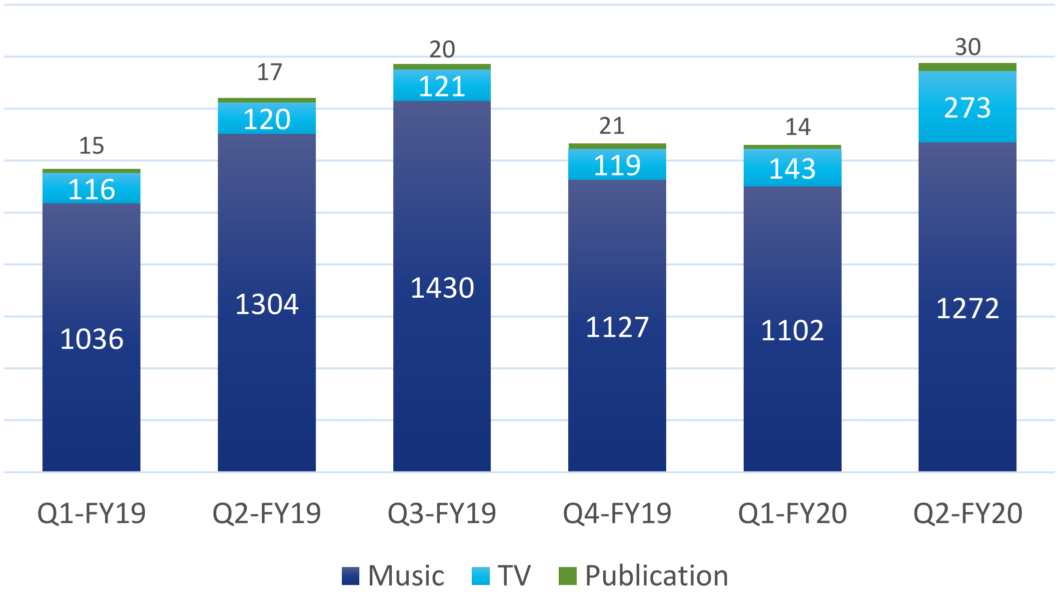
Financial Highlights

Consolidated

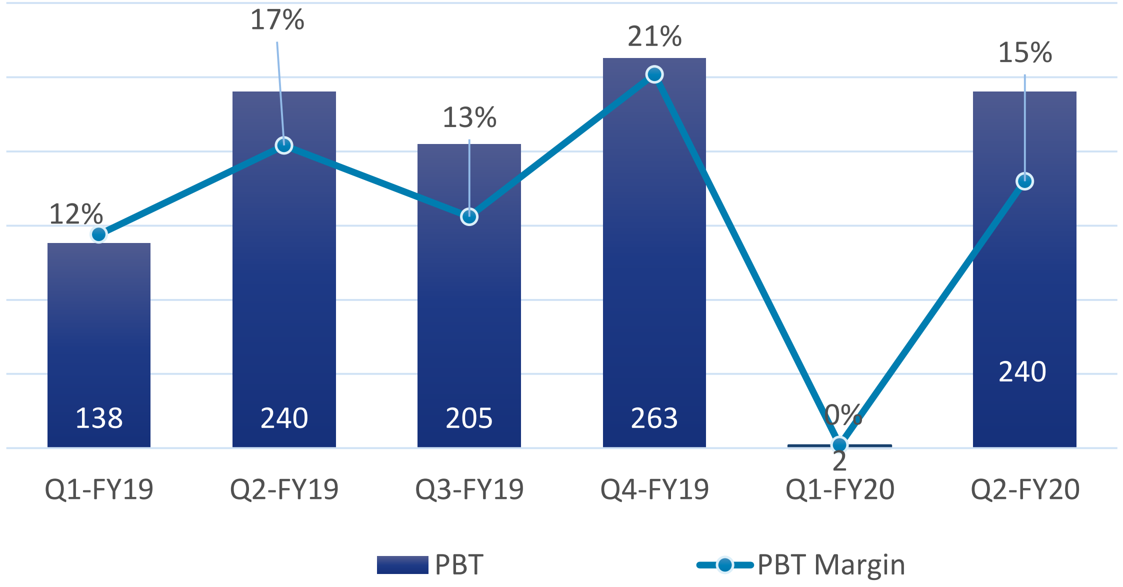
Quarterly Financial Summary

Particulars (INR Mn)	Q2-FY20	Q1-FY20	Q-o-Q Growth	Q2-FY19	Y-o-Y
Revenues					
• Music	1272	1102	15%	1304	-2%
• TV & Films	273	143	90%	120	128%
• Publication	30	14	114%	17	76%
Total Revenue from Operation	1575	1259	25%	1441	9%
PBT	240	2		240	0%
PAT	194	-12		157	24%

Revenue (INR Mn)



PBT (INR Mn) & PBT Margin



Financial Performance-Quarterly

Particulars (INR Mn)	Q2-FY20	Q1-FY20	Q-o-Q Growth	Q2-FY19	Y-o-Y Growth	H1-20	H1-19	Y-o-Y Growth
Music	1272	1102	15%	1304	-2%	2374	2340	1%
TV & Films	273	143	91%	120	128%	416	236	76%
Publication	30	14	114%	17	76%	44	32	38%
Revenue from Operations	**1575**	**1259**	**25%**	**1441**	**9%**	2834	**2608**	**9%**
Other Income#	29	22	32%	10	190%	51	430	-88%
Total Revenue	**1604**	**1281**	**25%**	**1451**	**11%**	2885	**3038**	**-5%**
Total Expenses	1333	1248	7%	1185	12%	2581	2609	-1%
EBITDA	271	33	721%	266	2%	304	430	-29%
EBITDA Margin (%)	*17%*	*3%*		*18%*		*11%*	*16%*	
Depreciation	11	12	-8%	9	*22%*	23	19	21%
Finance Cost	20	19		17	18%	39	32	22%
PBT	**240**	**2**		**240**	**0%**	**242**	**379**	**-36%**
Tax	46	14		83		60	136	
PAT	**194**	**-12**		**157**	**24%**	**182**	**243**	**-25%**
Diluted EPS	**11.06**	**-0.75**		**8.83**	**25%**	**10.31**	**13.7**	**-25%**

In Q1 FY19 Other Income includes Rs.340 Mn estimated Insurance claim receivable & Total Expense includes Rs. 376 Mn towards cost of damaged stocks because of fire in the warehouse

Balance Sheet

Equity and Liabilities (INR Mn)	As on 30th Sep 2019	As on 31st Mar 2019
Shareholders Fund		
(a) Equity Share Capital	174	174
(b) Other Equity	4103	4,107
Net worth	**4277**	**4,281**
(c) Non Controlling Interest	29	26
Non Current Liabilities		
(a) Financial Liabilities		
(i) Lease Liabilities	1	-
(b) Employee Benefit Obligations	35	28
(c) Deferred tax liabilities (Net)	556	581
Current Liabilities		
(a) Financial Liabilities		
(i)Borrowings	487	638
(ii)Trade Payables	624	564
(iii) Lease Liabilities	8	-
(iv)Other Financial Liabilities	436	421
(b) Other Current Liabilities	226	183
(c) Provisions	399	357
(d) Employee Benefit Obligation	17	9
Total	**7095**	**7,088**

Assets (INR Mn)	As on 30th Sep 2019	As on 31st Mar 2019
Non Current Fixed Assets		
(a) Property, Plant and Equipment	2057	2,057
(b) Right of use Asset	9	-
(c) Investment Properties	23	24
(d) Intangible assets	70	71
(e) Financial Assets		
(i) Investments	1352	1,483
(ii)Loans	52	49
(iii)Other Financial Assets	-	-
(f) Other Non Current Assets	15	16
Current Assets		
(a) Inventories	984	963
(b) Financial Assets		
(i) Trade Receivables	1364	1,098
(ii) Cash and cash equivalents	104	50
(iii) Bank Balances other than (ii) above	18	18
(iv)Loans	2	2
(c) Current Tax Assets (Net)	396	349
(d) Other Current Assets	649	908
Total	**7095**	**7,088**

Cash Flow Statement

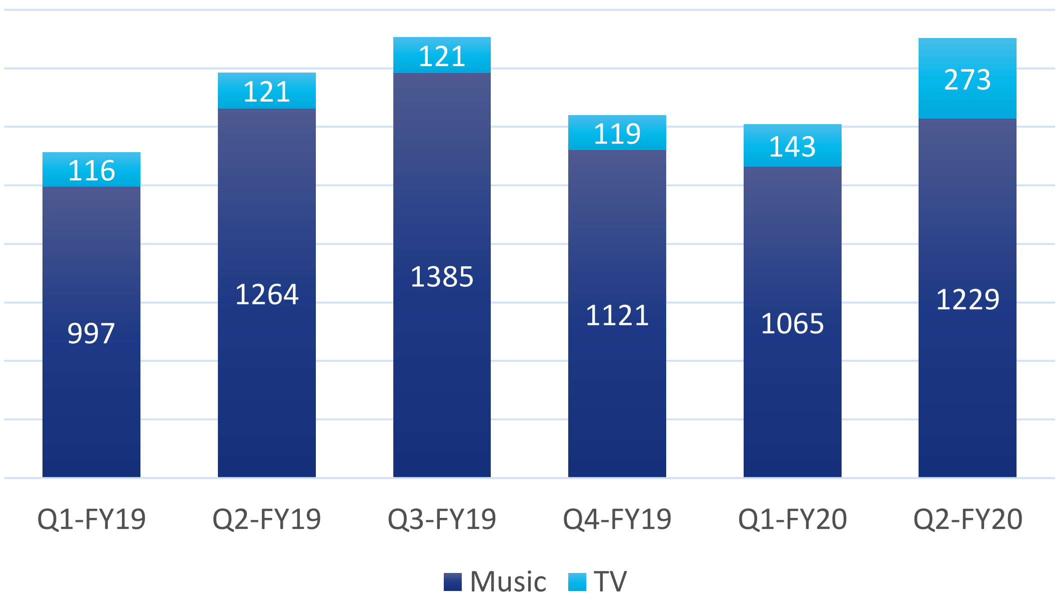
Particulars (INR Mn)	FY20 – H1		FY19	
Pre-Tax Profit	**242**		**847**	
Change in other operating activities (Non Cash Items)	1		-163	
Change in Working capital	182		-916	
Taxes Paid	-119		-125	
Net cash generated from/(used in) Operating Activities (A)		**305**		**-358**
Net cash (used in) Investing Activities (B)		**-16**		**-63**
Repayment/Proceed from Short term Borrowing	-151		479	
Proceeds from Issue of Share Capital	2		-	
Dividend and taxes thereon paid	-63		-62	
Interest Paid	-23		-38	
Net cash generated from/(used in) Financing Activities (C)		**-235**		**379**
Net Inc./(Dec.) in Cash and Cash Equivalent		**54**		**-42**
Cash and Cash Equivalents at the beginning of the period		50		92
Cash and Cash Equivalents at End of the period		**104**		**50**

Standalone

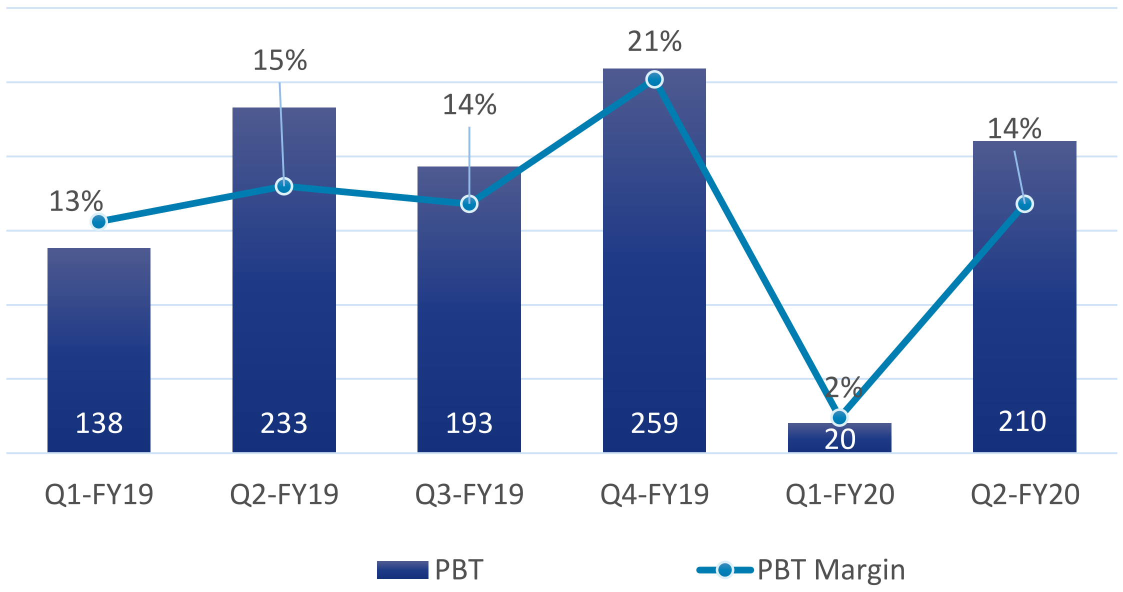
Quarterly Financial Summary

Particulars (INR Mn)	Q2-FY20	Q1-FY20	Q-o-Q Growth	Q2-FY19	Y-o-Y
Revenues					
• Music	1229	1065	15%	1264	-3%
• TV & Films	273	143	91%	121	126%
Total Revenue from Operation	1502	1208	24%	1385	8%
PBT	210	20	950%	233	-10%
PAT	164	5	3180%	150	9%

Revenue (INR Mn)



PBT (INR Mn) & PBT Margin



Financial Performance

Particulars (INR Mn)	Q2-FY20	Q1-FY20	Q-o-Q Growth	Q2-FY19	Y-o-Y Growth	H1-20	H1-19	Y-o-Y Growth
Revenue from Operations	**1502**	**1208**	**24%**	**1384**	**9%**	**2710**	**2497**	**9%**
Other Income#	29	32	-9%	23	26%	61	454	86%
Total Revenue	**1531**	**1240**	**23%**	**1407**	**9%**	**2771**	**2951**	**-6%**
Total Expenses	1290	1190	8%	1148	12%	2480	2530	-2%
EBITDA	241	50	382%	259	-7%	291	421	-31%
EBITDA Margin (%)	*16%*	*4%*		*19%*		*11%*	*17%*	
Depreciation	11	11	0%	9	*22%*	22	17	29%
Finance Cost	20	19	5%	17	18%	39	32	22%
PBT	210	20	950%	233	-10%	230	372	-38%
Tax	46	15		83		61	136	-55%
PAT	**164**	**5**	**3180%**	**150**	**9%**	**169**	**236**	**-28%**
PAT Margin (%)	*11%*	*1%*		*11%*		*6.3%*	*8%*	
Comprehensive Income	-95	-5		-100		-101	-159	
Total Profit including Comprehensive Income(Net of tax)	69	-0.4		50		68	77	
Diluted EPS	**9.43**	**0.29**	**3152%**	**8.58**	**10%**	**9.72**	**13.51**	**-28%**

In Q1 FY19 Other Income includes Rs.340 Mn estimated Insurance claim receivable & Total Expense includes Rs. 376 Mn towards cost of damaged stocks because of fire in the warehouse.

Balance Sheet

Equity and Liabilities (INR Mn)	As on 30th Sep 2019	As on 31st Mar 2019
Shareholders Fund		
(a) Equity Share Capital	174	174
(b) Other Equity	4092	4,087
Net worth	**4266**	**4,261**
(c) Non Controlling Interest	-	-
Non Current Liabilities		
(a) Financial Liabilities		
(i) Lease Liabilities	1	
(b) Employee Benefit Obligations	31	25
(c) Deferred tax liabilities (Net)	536	557
Current Liabilities		
(a) Financial Liabilities		
(i)Borrowings	457	608
(ii)Trade Payables	576	526
(iii) Lease Liabilities	8	
(iv)Other Financial Liabilities	420	411
(b) Other Current Liabilities	212	166
(c) Provisions	398	356
(d) Employee Benefit Obligation	16	8
Total	**6921**	**6,918**

Assets (INR Mn)	As on 30th Sep 2019	As on 31st Mar 2019
Non Current Fixed Assets		
(a) Property, Plant and Equipment	2056	2,056
(b) Right to use assets	9	-
(c) Investment Properties	23	24
(d) Intangible assets	68	69
(e) Investments in subsidiaries and Joint Venture	158	158
(f) Financial Assets		
(i) Investments	1105	1,212
(ii)Loans	48	46
(iii)Other Financial Assets	-	-
(g) Other Non Current Assets	14	15
Current Assets		
(a) Inventories	941	924
(b) Financial Assets		
(i) Trade Receivables	1405	1129
(ii) Cash and cash equivalents	32	15
(iii) Bank Balances other than above	18	18
(iv)Loans	15	13
(v)Other Financial Assets	2	1
(c) Current Tax Assets (Net)	384	336
(d) Other Current Assets	643	902
Total	**6921**	**6,918**

Cash Flow Statement

Particulars (INR Mn)	FY20 – H1		FY19	
Pre-Tax Profit	**230**		**823**	
Change in other operating activities (Non Cash Items)	14		-34	
Change in Working capital	156		-897	
Taxes Paid	-119		-122	
Net cash generated from/(used in) Operating Activities (A)		**281**		**-230**
Net cash (used in) Investing Activities (B)		**-29**		**-197**
Repayment/Proceed from Short term Borrowing	-151		479	
Proceed from issue of share capital	2		-	
Dividend and taxes thereon paid	-63		-63	
Interest Paid	-23		-38	
Net cash generated from/(used in) Financing Activities (C)		**-235**		**378**
Net Inc./(Dec.) in Cash and Cash Equivalent		**17**		**-49**
Cash and Cash Equivalents at the beginning of the period		15		64
Cash and Cash Equivalents at End of the period		**32**		**15**

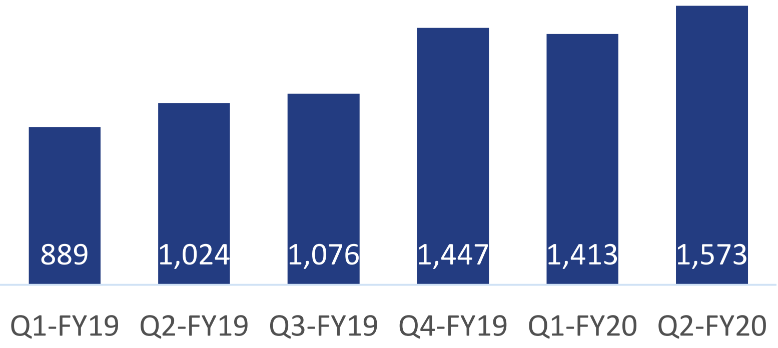
Operational Highlights

Music Segment Operational Highlights

Saregama invested Rs.56 Mn in FY18 and Rs.324 Mn in FY19 in new music rights acquisition

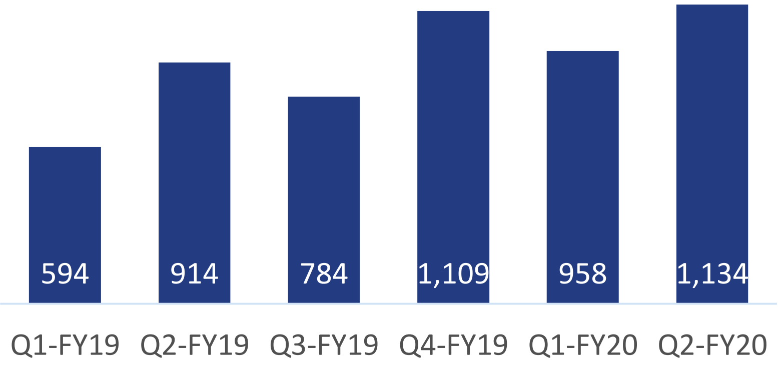
Licensing Revenue registered Y-o-Y Growth in H1 FY-20 at the rate of 21%

OTT Streams (Mn) per Quarter



Nos. till Q4 are Actualised and Q1 and Q2 Nos. included estimated Nos.

YouTube Views (Mn) per Month

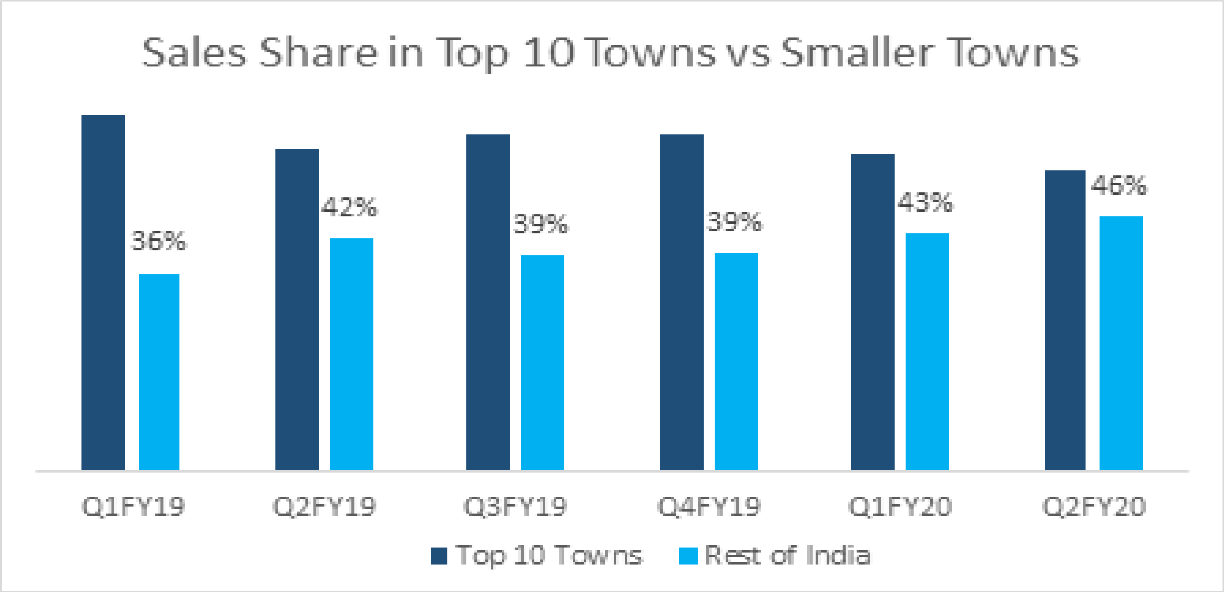


Views count is from 25 Channel owned by Saregama

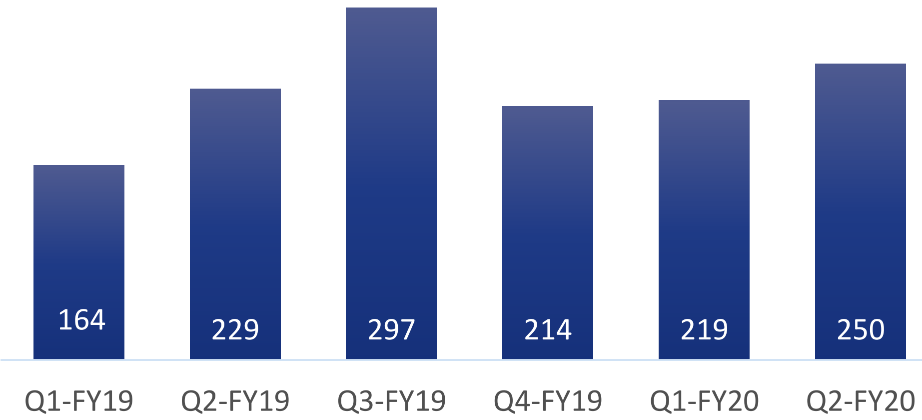
Music Segment Operational Highlights

- Lower than expected Festival sales
- Lower footfalls in Consumer Durable & Telecom outlets
- Carvaan 2.0 sale growing. Active Usage : 86%

- Continued focus on increasing mid to small towns penetration
  - Awareness creation
  - Distribution network expansion
  - Carvaan Mini - Legends, Gurubani and Bhagwad Gita- driving growth



Carvaan Sales (units '000s)



2.1K new billing dealers added in Q2 total 26.8K dealers

Gross margin for Carvaan is 25% in Q2 of FY-20

Future Outlook

Carvaan Karaoke to be launched

Revised Annual Estimates for FY 20: 1000K units

Films & TV Segment Operational Highlights

Film Segment

Yoodlee Films is the first production house to have released original films on both Netflix and Hotstar

Hotstar premiered its Originals Films with 2 Yoodlee Films

- **Chhappad Phaad Ke** on 18th Oct.
- **Kanpuriye** on 25th Oct.

KD

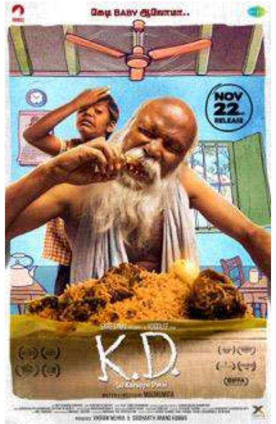
- Featured in New York Indian Film Festival And Ottawa Indian Film
- Nagavishal won the best actor award at the 10th Jagran Film Festival 2019
- Official selection at the Annual Asian American International Film Festival

Noblemen

- Limited release in theatres. Rave reviews. Premiered on Netflix from 5th Oct

Future Outlook

- Tamil film, KD, to be released in theatre



TV Segment

- Roja moves to 7pm slot. Highest TRP Tamil Program in India. Its being recreated in two languages and is successfully running in three languages on Sun TV (Tamil), Gemini TV (Telugu) and Udaya TV (Kannada)
- Advertising revenue improved on the back of high program TRPs
- Serial Valli made its finale in Sep'19 after completing seven successful years. Its was on of the longest running Tamil serial on Sun TV and completed 1950+ episodes.

Future Outlook

- Next two quarters should maintain the performance

Financial Overview

Standalone Income Statement

Particulars (INR Mn)	FY19	FY18	FY17
Revenue from Operations	5,244	3,456	2,081
Other Income#	595	142	159
Total Revenue	**5,839**	**3,598**	**2,240**
Total Expenses	4,920	3,115	2,003
EBITDA	**919**	**483**	**237**
EBITDA Margin (%)	**18%**	**14%**	**11%**
Depreciation	30	38	41
Finance Cost	66	34	23
PBT	**823**	**411**	**173**
Tax	304	106	73
PAT	519	305	100
PAT Margins	9%	8%	5%
Other Comprehensive Income	-16	136	1,301
Total Comprehensive Income (After Tax)	**503**	**441**	**1,401**
Diluted EPS (INR)	**29.8**	**17.5**	**5.7**

 # In FY2018-19 other income includes Rs. 322 MN estimated Insurance claim receivable & Total Expense includes Rs. 376Mn towards cost of damaged stocks because of fire in the warehouse.

Standalone Balance Sheet

Equity and Liabilities (INR Mn)	FY19	FY18	FY17
Shareholders Fund			
(a) Equity Share Capital	174	174	174
(b) Other Equity	4087	3,647	3,236
Net worth	**4261**	**3,821**	**3,410**
Non Current Liabilities			
(a) Employee Benefit Obligations	25	21	19
(b) Deferred tax liabilities (Net)	557	456	424
Current Liabilities			
(a) Financial Liabilities			
(i)Borrowings	608	129	-
(ii)Trade Payables	526	386	371
(iii)Other Financial Liabilities	411	347	115
(b) Other Current Liabilities	166	116	68
(c) Provisions	356	359	262
(d) Employee Benefit Obligation	8	7	16
Total	**6,918**	**5,642**	**4,685**

Assets (INR Mn)	FY19	FY18	FY17
Non Current Fixed Assets			
(a) Property, Plant and Equipment	2056	1,881	1,893
(b) Investment Properties	24	24	25
(c) Intangible assets	69	61	62
(d) Investments in subsidiaries and Joint Venture	158	155	155
(e) Financial Assets			
(i) Investments	1,212	1,234	1,076
(ii)Loans	46	34	42
(iii)Other Financial Assets	-	-	-
(f) Other Non Current Assets	15	112	19
Current Assets			
(a) Inventories	924	473	99
(b) Financial Assets			
(i) Trade Receivables	1129	781	556
(ii) Cash and cash equivalents	15	64	156
(iii) Bank Balances other	18	16	1
(iv)Loans	13	5	28
(v)Other Financial Assets	1	1	1
(c) Current Tax Assets (Net)	336	414	413
(d) Other Current Assets	902	387	159
Total	**6,918**	**5,642**	**4,685**

Consolidated Income Statement

Particulars (INR Mn)	FY19	FY18	FY17
Revenue from Operations	5447	3,566	2,185
Other Income #	564	102	133
Total Revenue	**6,011**	**3,668**	**2,318**
Total Expenses	5,065	3,203	2,090
EBITDA	946	465	228
EBITDA Margin (%)	17%	13%	10%
Depreciation	33	42	44
Finance Cost	66	34	24
PBT	**847**	**389**	**160**
Tax	304	106	73
PAT	**543**	**283**	**87**
PAT Margins	9%	8%	4%
Other Comprehensive Income	-13	164	1,402
Total Comprehensive Income (After Tax)	530	447	1,489
Diluted EPS (INR)	31.2	16.2	4.9

 # In FY2018-19 other income includes Rs. 322 Mn estimated Insurance claim receivable & Total Expense includes Rs. 376Mn towards cost of damaged stocks because of fire in the warehouse.

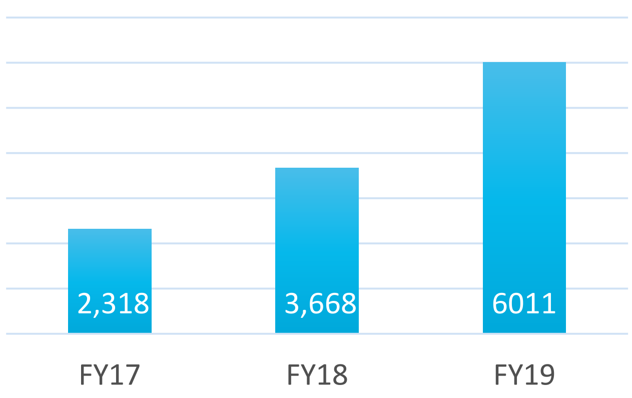
Consolidated Balance Sheet

Equity and Liabilities (INR Mn)	FY19	FY18	FY17
Shareholders Fund			
(a) Equity Share Capital	174	174	174
(b) Other Equity	4107	3,643	3,223
Net worth	**4281**	**3817**	**3397**
(c) Non Controlling Interest	26	23	25
Non Current Liabilities			
(a) Employee Benefit Obligations	28	24	22
(b) Deferred tax liabilities (Net)	581	479	444
Current Liabilities			
(a) Financial Liabilities			
(i)Borrowings	638	159	30
(ii)Trade Payables	564	404	384
(iii)Other Financial Liabilities	421	359	125
(b) Other Current Liabilities	183	149	91
(c) Provisions	357	361	263
(d) Employee Benefit Obligation	9	8	16
Total	**7,088**	**5783**	**4,797**

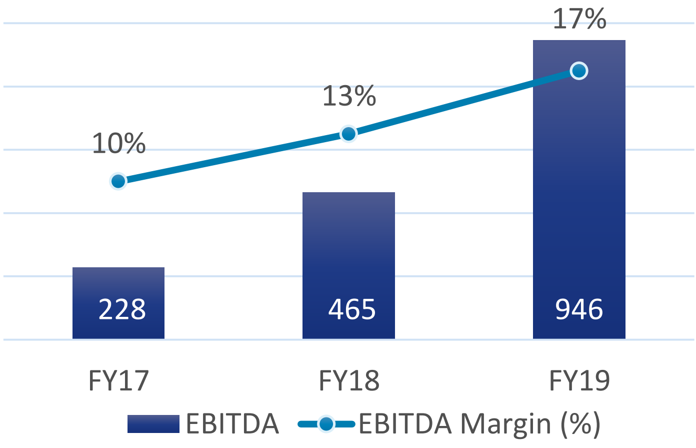
Assets (INR Mn)	FY19	FY18	FY17
Non Current Fixed Assets			
(a) Property, Plant and Equipment	2057	1884	1897
(b) Investment Properties	24	24	25
(c) Intangible assets	71	65	67
(d) Investments in subsidiaries and Joint Venture	-	-	-
(e) Financial Assets			
(i) Investments	1483	1510	1316
(ii)Loans	49	40	47
(iii)Other Financial Assets	-	-	-
(f) Other Non Current Assets	16	112	20
Current Assets			
(a) Inventories	963	493	103
(b) Financial Assets			
(i) Trade Receivables	1098	730	523
(ii) Cash and cash equivalents	50	92	190
(iii) Bank Balances other	18	16	1
(iv)Loans	2	2	27
(v)Other Financial Assets	0	0	-
(c) Current Tax Assets (Net)	349	423	419
(d) Other Current Assets	908	392	162
Total	**7,088**	**5783**	**4,797**

Financial Charts (Consolidated)

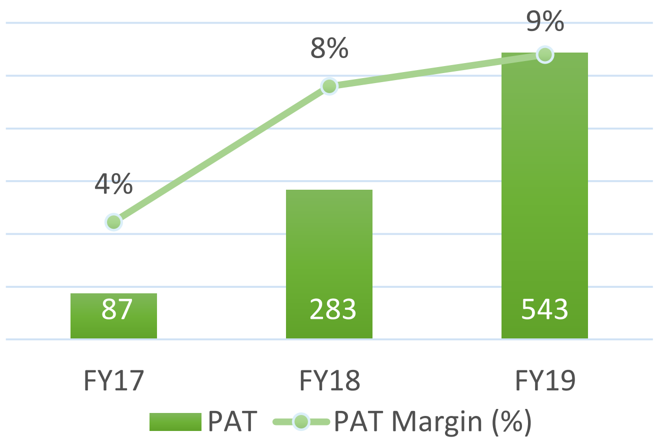
Total Revenue (INR Mn)



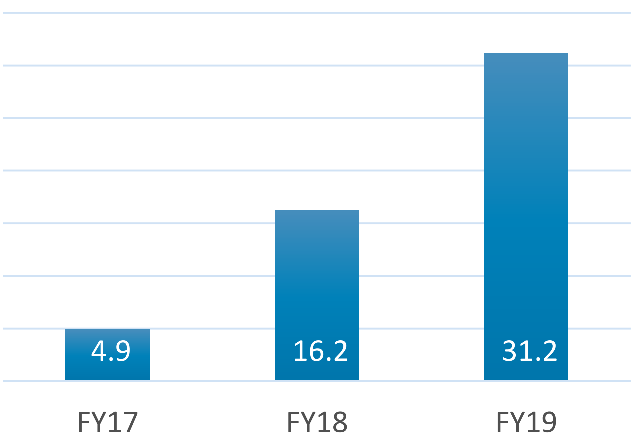
EBITDA and EBITDA Margin (%)



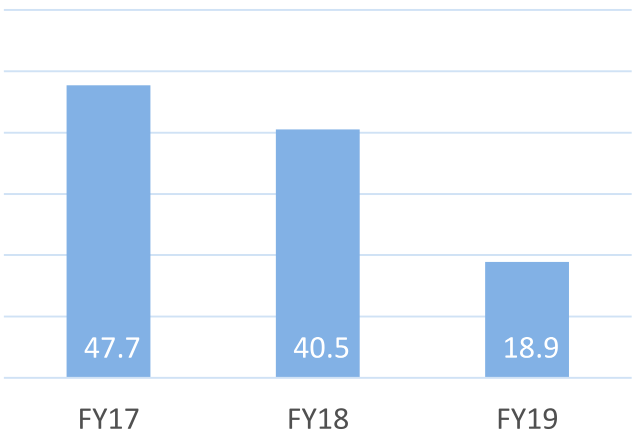
PAT and PAT Margin (%)



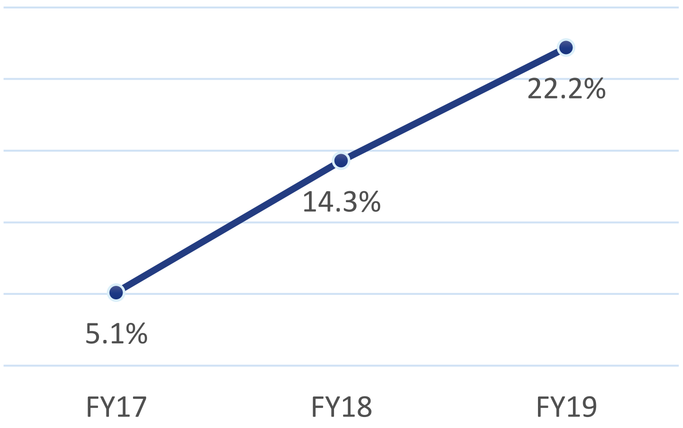
Diluted EPS (INR)



PE Ratio

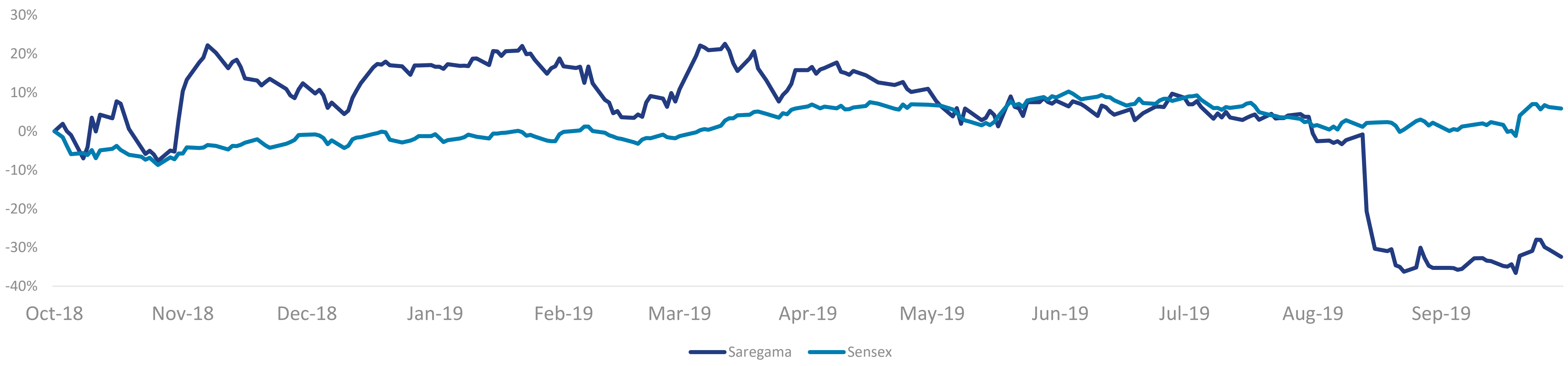


ROCE%*



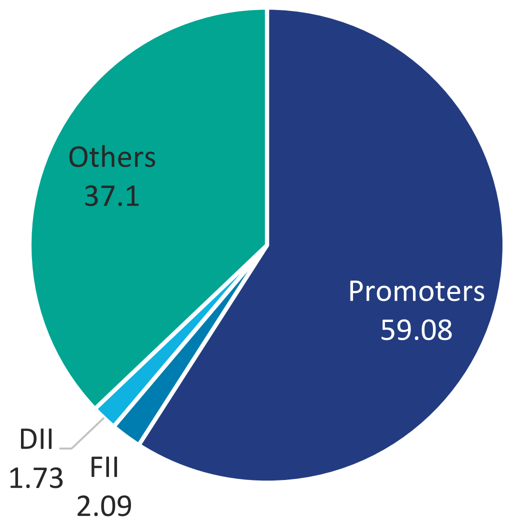
*Capital Employed = share capita. security premium & free reserves

Capital Market Data



Price Data (As of 30th September, 2019)	INR
Face Value	10.0
Market Price	345.7
52 Week H/L	636.6/302.2
Market Cap (INR Mn)	6,023.5
Equity Shares Outstanding (Mn)	17.4
1 Year Avg. Trading Volume ('000)	29.

Shareholding Pattern as on 30th September, 2019



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"Saregama India Limited
Q2 FY2020 Earnings Conference Call"

November 14, 2019

ANANDRATHI

CHORUS CALL®

ANALYST: **MR. SHOBIT SINGHAL – ANAND RATHI SHARES & STOCK BROKERS**

MANAGEMENT: **MR. VIKRAM MEHRA – MANAGING DIRECTOR - SAREGAMA INDIA LIMITED**
MR. VINEET GARG - CHIEF FINANCIAL OFFICER – SAREGAMA INDIA LIMITED
MR. B. L. CHANDAK - EXECUTIVE DIRECTOR – RPSG GROUP

Moderator: Ladies and gentlemen, good day and welcome to the Saregama India Q2 FY2020 results Conference Call, hosted by Anand Rathi Shares and Stock Brokers. As a reminder, all participant lines will be in the 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 "*" then "0" on your touchtone phone. I now hand the conference over to Mr. Shobit Singhal from Anand Rathi Shares and Stock Brokers. Thank you and over to you Sir!

Shobit Singhal: Thank you Stanford. Good afternoon to all of you. Welcome to the Q2 FY2020 earnings conference call of Saregama India Limited. From the management side, we have today Mr. Vikram Mehra, Managing Director, Mr. Vineet Garg, CFO and Mr. B.L Chandak, the Executive Director. Now I would like to handover the floor first to Mr. Vikram Mehra for his opening remarks post that we can start with the Q&A session. Over to you Sir!

Vikram Mehra: Good afternoon everyone. As we have committed in the last quarterly call, we are back to our usual profitable position at this quarter at a consolidated level, right now we wrote around 157 Crores revenue from operations which is around at 25% growth over the last quarter and a 9% growth on a year-on-year basis. More importantly compared to 20 lakhs PBT in the last quarter, we have gone back to a 24 Crores PBT in this quarter. So overall a good quarter as far as the numbers are concerned, but these numbers are hiding the toughness that we people are facing in the market. We are not immune to what is happening across in the market. The environment has been very, very tricky for us like for many other companies. What we are realizing right now all around that discretionary purchases whenever that need to be done by the consumer they are getting postponed, so on mandatory purchases right now is if I have to buy a soap, if I have to buy a toothpaste there is no change in the purchase behavior of people, which ever product they believe are a kind of luxury or something that they can postpone by a few weeks, months they are just going out there and postponing it and we have seen category after category many of us spend enough time talking to consumer at the retail outlet, it has been a difficult quarter with that kind of consumer sentiment and for us if this kind of sentiment hurts us from two sides. One we are in the market of selling products like Carvaan, other we had also dependant on advertising revenue because of a YouTube business and TV serial business on Sun TV. When brands start getting hurt right now on the revenues the first thing they do is to start squeezing the advertising spends which means we get affected on that side too. So all that has happened right now in this quarter. To more specifics how the question can happen right now and then how did we manage keep our head over the water, I think the music licensing business has helped us a lot. That continues to be a core business, I keep on saying call after, call after call, that the primary business of Saregama is IP creation and IP monetization and we will never take our focus away from that. The music part of that did very, very well, we people have been growing at 21% if I see on a half year numbers, on a year-on-year basis right now the licensing business grew by 21% in all verticals, streaming, publishing and to some extent even Youtube at least in first few months did pretty well. The good part about this is just an MG minimum guarantee growth, we are also seeing actual growth in terms of number of streams on OTT platform or number of views on Youtube platform. Just because there is a mandhi in the market right now does not mean people stop listening to songs, and that is a great part. If fact a lot of other empirical data tells us that whenever there is a recession hitting out there the consumption of entertainment goes up. So that part of our business is quite rock solid.

As far Carvaan is concerned we said it in April and I continue in July August call that our focus now onwards is to expand the footprint of Carvaan outside the top four or six towns. We want more and more traction to come right now from the class 2 towns, the Luknow's, Jaipur's, the Ujjain's, Calicut, and the Coimbatore of the world, we are expanding there through our dealer network in a very aggressive fashion. We already have a 27000 retail network footprint in the country. In fact, this quarter 46% of our sale has come right now from a smaller towns which is a steady increase that we are seeing quarter after quarter because our focus is sitting there.

As I said in the beginning the overall consumer sentiment right now was lukewarm. People took Carvaan as a discretionary purchase something that an Indian mind they decided right now is needed to postpone it. The other problem which gone back and hit us in this quarter was the online sales that was being done which became very, very popular. Online sale meant right now are whatever data I understand around 60% of all the mobile sales in this quarter ended up happening on the online means. Some 45% of television sale happened through the online means, which means lower and lower number of people actually walked into our consumer durable store or a telecom store. One the sentiment is down, second people are buying right now online rather than the Brick and Mortar stores, we primarily sell from the Brick and Mortar store and not online. Reason being Carvaan being a new category and a new brand, most people want to touch and feel it before they go and buy the product. We have not reached the maturity level of a TV or a mobile phone that somebody can just go out their without seeing it purchase it from the online means so we are more dependent on the Brick and Mortar shops, there were low footfalls in the Brick and Mortar shop, it affected us also. On an overall basis right now, our numbers have grown, the Carvaan has still been able to mange to grow to 250000 units right now in the quarter, it is some magic, no. What are we people doing right now, we are pushing more and more of Carvaan mini, rather than Carvaan. Even when some prebuying started happening for Diwali, for corporate gifting we started seeing right now many of the people saying that they cannot afford this year to gift a Rs. 6000 product any longer. These are same bunch of people who used to buy products for this much of budget till last year. The sentiment being down, many of them decided that their budgets of gifting will come down. Remember it is also a discretionary thing to corporate gifting during Diwali time. What we people did right now is start pushing Minis during that time and we were able to sell large amount Carvaan Minis in pre-Diwali and pre-Dussehra, also the launch of Gurbani and Bhagavadgita has does a lot these were new units in the market right now, people have not seen the product, it worked beautifully with the Dussehra and Diwali timeframe so we were able to go back and cope up the loss of Carvaan sale by selling of more of Carvaan mini, but yes if you sell more of Carvaan Minis than Carvaan right now, then the average price that you are talking of a Carvaan unit being sold has come down this quarter.

I have told that the bad news right now that people were postponing their discretionary purchase but the good part is every consumer data that we people have collected this quarter and the quarter before that keeps on throwing back very high intention to buy scores for Carvaan. We have high intention to buy scores, we have low urgency to buy score, so most people when the hear about Carvaan say yes it is great product, I want to buy it, the movement you ask them right now is this the product you will buy immediately in the current environment those score seem to be showing low, the people are saying yes "good one, will buy it", it is not that I want to buy it right now. We know with that as the sentiment right now, we know that the pressure on Carvaan sales is going to continue, is not going to go back and fall down dramatically. What we people know that going forward as things become better we will able to once again up the overall number of Carvaan sale, till that time we have decided a take a very tight control on all the cost which are related to Carvaan which means sales and marketing budgets and we will be enforcing that in this Q3 and Q4.

The great story about Carvaan this quarter was the growth of Carvaan 2.0. Having said Carvaan 2.0 is our attempt to convert Carvaan from a one time margin product to a product which can keep on giving you revenue on an ongoing basis either through advertising or subscription, Carvaan 2.0 has got a wifi based return path which allows us to keep on streaming new content which we can update on a daily basis to the customer as the popularity of this content starts going up, we should be able to make money right now through advertising. Initially we launched only the content that we people owned, the popularity of Carvaan 2.0 can be seen by the means right now that big brands like BBC or TIKTOK or some of the radio stations they have come out and Moneycontrol they have all come out there and also offered their content as part of Carvaan 2.0. We believe in the days to come right now, Carvaan 2.0 can be positioned as the best of Youtube meets a Tata Sky setup box, meaning can I attract more and more content creative to offer their content but like Tata Sky we will be very choosy about what content is going to go through and if we make any money on it right now, we will be happy to share that revenue with the content creator. This way more and more content creators will be ready to make good quality content for Carvaan 2.0. It may just be a game changer as we go ahead.

TV business of ours, the content that we create for Sun TV after 8 quarters of repeatedly coming out there and saying that the numbers are doing okay but in terms of rating but we have done great in terms of advertising, this quarter has been a change, in spite of all the advertising cut pressure. I think we may be the only guys right now who are happy about their advertising revenue growth and this is courtesy one serial of our called Roja, which has now become the number 1 Tamil show in terms of rating. Saregama had never had a program which was overall the number one show. The benefits of being a number one show is that you can go back and ensure that the all the advertising time which is their get sold comfortably. We believe right now this trend should continue in Q3 and Q4 also because of this top program that we people own today.

Another commitment we have been making right now, two years back we told you we are entering the film project in the Yoodlee that the stay up had give us time to establish ourselves and second year we were able to break even, from this year onwards right now we will be writing profit and that is what it has happened out here. We have sold four movies, we have been able to go back and write profits in this quarter. The big thing for us was that we are only production studio today which has been able to give original film both to Netflix and Hotstar. In fact Hotstar started it original films business with two back to back films right now coming from Saregama cable under the Yoodlee brand name.

So overall a difficult quarter for management team in terms of financial numbers, we have come good and we hope to hold this momentum going forward. Thank you.

Happy to take questions now.

Moderator: Thank you very much Sir. Ladies and gentlemen, we will now begin the question and answer session. The first question is from the line of Ravi Naredi from Naredi Investments. Please go ahead.

Ravi Naredi: Nice to listen on everything. Sir in spite of launching so Carvaan of different nature, we could not achieve good numbers. Can you tell about this?

Vikram Mehra: Let me explain to you right now. First we launched various kind of Carvaan variant to ensure that we have a product that each of the price point starting from Rs.2500 all the way to Rs.12000. Also since we are newbie in the consumer durable business, to get enough shelf space at the dealer outlet it is mandatory that you have multiple variants otherwise dealer does not even give you any shelf space. If you walk to that consumer durable outlet today and that is kind of challenge from my side. You will find Carvaan getting great space in spite of we people not seeing dealer outlet anything for it. It is there are ranges large enough range. In terms of why the numbers, numbers we have grown this is one of the biggest quarters you have seen. We have sold 250000 units of Carvaan. What we are seeing right now is that the higher price Carvaan sale not go up. It is a lower Carvaan Minis which does much better which is nothing but a reflection of what the environment today is. People are not buying products right now which will dispose purchase decision can be postponed.

As a management team, I can again repeat right now we are not worried, we know that the intention to buy is high, the movement the overall sentiments in the country become better, people are ready to go back and not postpone purchase decision but buy things, Carvaan has got a very strong equity, till that time we will control our cost structures connected to Carvaan very stringently so that the bottom line can be maintained.

Ravi Naredi: Right and what was the net profit margin for Carvaan in Q2.

Vikram Mehra: I cannot go in that much of detail. We have maintained a gross margin of 25% and my commitment is there right now that by the end of the year Carvaan will be a very low net margin business. It will not be a loss making margin business, it will not a high margin business, this year and next year. So both years right now, Carvaan will remain low net margin business, FY2021-FY2022 onwards the Carvaan starts becoming high single digit net margin business.

Ravi Naredi: Okay so now onwards we are more looking about the other income?

Vikram Mehra: Sorry Sir did not get you?

Ravi Naredi: Licensing income we are basing on licensing income?

Vikram Mehra: No Sir licensing income is growing very well. Licensing income as I told you right now if I do 6 months numbers right now on a year-on-year we grew by 21% and we are easily confident that this trend is going to go back and become better only in the next two quarters. We will continue to grow right on pushing Carvaan knowing very well that expecting some big numbers from Carvaan around maybe difficult unless overall consumer sentiments in the market improve.

It will not be drag on the bottom line that is a commitment I can make on behalf of the management.

Ravi Naredi: Ok thank you Sir.

Moderator: Thank you. The next question is from the line of Priyankar Sarkar from HSBC Asset Management. Please go ahead.

Priyankar Sarkar: So congratulations on a good set of numbers.

Vikram Mehra: Thank you.

Priyankar Sarkar: In fact the other numbers compared to numbers of other companies in this tough environment so it is a great result I would say. Sir couple of questions on the movie business, Sir how many have we produced till date starting from Ajji the first movie? It is my first question. Second is that are we going to be profitable on each and every movie like cost plus model or is it going to be like on a portfolio basis will be making money? that is my second question and what is the three year kind of target for the movies. We had some pretty aggressive target back in the days that year and a half back do we still maintain those kind of figures, if you can kindly elaborate on that?

Vikram Mehra: So let me answer your question number 2 philosophically, our approach in the movie business is that every movie has to make money. We do not believe in a scenario right now that one big movie can come out then recover the cost of all the flop movie, that is why our focus is more, our digital focus rather than a theatrical focus internally we people look at this the right now that the worst case scenario a movie has to recover 75% of its cost. On this juncture as the equity of Yoodlee as a film production house is going up, we are able to grow back and start getting revenues for us which are in sync with the kind of value we bring and hence we are turning profitable. Our cost structures have not changed that much right now. Earlier people were treating us as a newbie who had no experience of making films now with 8 our films with Netflix and two sitting in Hotstar of which five of the films are originals, there is a decent amount of credibility we have gone on there and built. Today, right now there is a list by a very senior media journalist which has come out, which is saying 200 of the greatest films of this decade. Out of the 200 greatest across all languages of India, 3 are Yoodlee films. So we are getting a credibility built right now which allows us to charge a better premium for the content we bring to the table. For your first question, you said how many films, we people are in a various stages of production which include around 17 films are there of which 10 deals have already been done, remaining 7 as they keep on getting ready, deals will keep on happening.

Our bigger target right now how much will we do, we continue maintaining right now that we are looking at 100 films over 5 year. Our process are build that we can do these many number of films as a catalogues start becoming bigger and bigger, first our negotiation power goes up, second what you guys will appreciate a lot is of typical movie when I am giving it right now for a licensed to a Netflix, if it is a short-term license we are writing off the entire cost the first time when we are licensing the deal, so cost is written off, when it come for renewal whatever money comes right now straight coming to the bottom line, so as these movies keep on coming out right now for the second tranche of licensing and the third tranche of licensing right now, there is good money to be made and with so many video platforms in the country and abroad there is a dearth of good content. Any of us who watches Netflix and Hotstar and Amazon always keep on complaining there is a shortage of content, so we know production houses right now which have got a good reputation who keep on maintaining quality right now in their content will be in a good position to keep on getting renewals for their movie deals.

Priyankar Sarkar: Sir there are so many if you go to area like Lokhandwala every 100 meter there is a production house and everybody aim is to sell it to the Netflix and Amazon of the world, so what is it actually that is getting differentiated?

Vikram Mehra: But how is it right now we are the only people, give me one production house which, I am not talking about theatrical films so lets not get Salman, Sharh Rukh and Akashay or an Aamir move in this game right now, because they are not in that game. Give one production house since you know about this area which has even put two films right now on Netflix, we are the only guys who have got 8, so there is something we are doing right, is the same way that we are doing something right in a music selection when you go out there and we are making new music also profitable for us. We have a very robust process developed internally on script selection. It is not that we are the creatively genius people out here, we have used a lot of left-brain part of ours to build system and processes which are independent of the films head or the managing director of this company to decide which film should go through. Our processes throughout the best possible script, the way we people go out and manage our cost structures right now, I am extremely proud. I am happy to comment anytime I am ready to go back and share that with you which ensure that every movie of ours gets over on-time and under cost. Those are things which are giving advantages.

Priyankar Sarkar: Fair enough Sir. Thank you. thanks a lot for answering my question.

Moderator: Thank you. The next question is from the line of Jaydeep Merchant from Janak Merchant. Please go ahead.

Jaydeep Merchant: Hi Vikram, congratulations on the good numbers.

Vikram Mehra: Thank you.

Jaydeep Merchant: Vikram just wanted to understand the status of the stock appreciation rights, if you have any comments to make on that.

Vikram Mehra: All we have right now that we have now the AGM approvals to go back and covert these stock appreciation rights in to stock options and we will start work on this right now immediately so you will action happening out from next week onwards.

Jaydeep Merchant: Okay thank you.

Vikram Mehra: So we are very clear right now the parties who are affected in this right now stock appreciation right they have also given the clearance out there to it, board has given the clearance, AGM level we have got the clearance. We are moving on it immediately.

Jaydeep Merchant: Okay thank you Vikram.

Moderator: Thank you. The next question is from the line of Kush Gangar from Care PMS. Please go ahead.

Kush Gangar: Was Saregama Carvaan profitable at net business for current quarter Q2?

Vikram Mehra: Let me not get into Q2 level right now. Was Saregama Carvaan profitable things in 2018-2019? Yes, low single digit net margins. What will Saregama Carvaan be in 2019-2020? Very low single digit net margins numbers. Quarter becomes a very tricky part what happened in the first quarter, the marketing was done up front and suddenly that quarter started looking pretty bad right now while the benefits of that are coming to the Q2, so if do quarter by quarter right now, it becomes a tricky part because we booked the marketing cost immediately while sales happens right now after a lag. On yearly basis I can go back and tell you right now it will be very low single digit net margin numbers.

Kush Gangar: Comparable to last year?

Vikram Mehra: Comparable to last year maybe lower than last year.

Kush Gangar: Okay the reason why I am asking is because segmental results, your films divisions did superb, that is the reason the fall in music profitability got overshadowed so compared to last year the music division did poorly in terms of profitability so that is the reason I was asking about?

Vikram Mehra: The problem is the phasing part. All I can go back and tell you right now last year in the first six months the marketing spends on Carvaan were low, second six months they became higher, this time the first six month we have seen a higher marketing spends on Carvaan, next six months you may see lower. So the movement we come to the end of the year I will be in a better position to answer this which is the nature of how the spends have been done. Second part, I said it in my opening part, I am again acknowledging it. The reality is that though we have grown Carvaan sales to 250000 units in this quarter which is a very substantial growth majority of the growth has come Carvaan Minis which is a lower priced SKU. Our gross margins have maintained at 25% right now, but the average check value starts coming down.

Kush Gangar: So last year we did around 100 Crores in advertisement and sales promotion and this year figures should be similar to those level?

Vikram Mehra: So let me not comment on this directly. Again when you say advertising right now that number that you see not just Carvaan it includes all the new music that we people acquired the marketing of that which is a commitment we make to the movie producer also sits under this, so why this queue starts happening right now, in Q3, there is no new film music that we are releasing. In Q4, there maybe 2-3 new film music that we will be releasing so the only marketing spends will start looking higher, that is not connected to Carvaan.

Kush Gangar: Okay and the reason for trade receivables increasing by around 30 Crores?

Vineet Garg: We sold 4 movies this last quarter, so I think that is one the reason the receivables for that some is received and some is in the line of receiving and there is small increase in receivables for the retailer as well because the number is quite high compared to the last year quarter as well and this year quarter as well, so I think it is a normal standard trade period, there is no extended period.

Kush Gangar: Our films segmental revenue profitability was quite high, was that primarily due to ad time getting used in Sun TV?

Vikram Mehra: No nothing with that right now, so film profitability nothing do with it, the film part did very very well because again it is just facing issue right now, it will be profitable full year basis also but in this quarter there were four movies that got sold. The movement year-on-year came to the next quarter you may not have that many movies getting sold. Television side that is a reality out here, TV was writing losses quarter after quarter this quarter right now even television has turned around, courtesy one serial called Roja.

Kush Gangar: Sure thank you.

Moderator: Thank you. The next question is from the line of Ritwik Rai an Individual Investor. Please go ahead.

Ritwik Rai: Sir couple of things I wanted to understand if could give us some idea of Carvaan, you just spoke about it but in terms of the advertising and promotions stand, about what percentage of it like this quarter is about 30 Crores about what percentage of it is dedicated to Carvaan?

Vikram Mehra: Sir I cannot get into that specific numbers out here. All I can tell you right now that when we give you gross margin number of 25% for Carvaan, the gross margin is calculated after deducting the cost of goods sold, import duty, service cost, warranty management cost, logistics, warehousing, content cost because the content also has a royalty connected to it and all below the line expenses.

So putting up a stand at dealer outlet all that is deducted while calculating gross margin, that is 25%. I am saying my gross margin to net margin the only deduction which is happening is above the line marking cost. That will give you an idea right now what numbers are we talking about and I am telling you our net margins numbers at the end of the year are going to be very low single digit percentages.

Ritwik Rai: Okay fine and Sir the other thing I wanted to ask you that of course the movie have done very well in this quarter, what could we expect going forward, does this signify something changed that we can kind of extrapolate going forward because now kind of settle down?

Vikram Mehra: The movie unlike a music licensing business right now, which is an extremely solid foundation base business with a big base so there are 20% advancing, we are growing by anything between 20%-25%, the jump is huge in terms of profitability. Movie business right now this is a we just completing 2.5 year, we are not taking any big projects, high risk ones right now because that is what all investors ask us to do start slow and do with a smaller movies right now because there was a fear that movie business may have its own risk involved in it, so we continue with that approach only right now, we will keep on going slow and steady. It will be profitable.

Ritwik Rai: The only thing I am asking about in terms of profitability also it has improved.

Vikram Mehra: Again, it will be profitability end of the year also. It is not just one quarter became profitable, second quarter is going to go into losses, that you refresh, but are we suddenly going to go back and say and every quarter this amount of profit that will start coming in? unfair because we are doing a slow and steady number growth only in the movie business.

Ritwik Rai: Alright Sir one last thing about the film music part you have taken a more aggressive route as compared to your films right, the music acquisition and you also indicated that in Q4 there would be a couple coming up so what is the kind of expenses that you have done for acquiring these two to three titles.

Vikram Mehra: I cannot get into specific deals. I think we have also gone on record saying that we will be spending closer to 200 Crores in terms of the commitment over the next 3 years, acquisition right now for new film music acquisition while in financial year 2018-2019, we had spent 32 Crores on new music but that is the number what we will spend in 2019-2020 one is done right now I will happy to go back and share it, at this juncture right now you work and think that our overall plans are closer to 200 Crores over the period of 36 months.

Ritwik Rai: Alight thanks very much Vikram.

Moderator: Thank you. The next question is from the line of Aakash Chatuvedi from Torero Capital. Please go ahead.

Aakash Chatuvedi: Hi Vikram so my question is regarding the credit period that you are extending to various segments, so has there been any change given the change in sentiments on ground?

Vikram Mehra: No.

Aakash Chatuvedi: Okay so what period do you give?

Vikram Mehra: So there are different parts right now, so whom are giving credit period, some of that movie licensing deals specific to Netflix which is standard part right now and we continue working on that arrangement. The second big part happens on the OTT streaming platforms the credit period strategy does not change right now. Everything is quarter in advance, but at times the nature of our agreements is that it takes longer time to sign the agreement, but that is standard process that have been going for decade now, so nothing has changed at this juncture. Carvaan 2 distributors is always cash and carry, nothing is changing out there, we give credit to the modern retail outlet that credit period remains constant.

See the advantage the right now, when you have a high quality IP product whether it is Saregama ka music or it is Carvaan is that you are in a good in a position to withstand pressure from partner.

Aakash Chatuvedi: Fine.

Moderator: Thank you. The next question is from the line of Sameer Patel from Savvy Capital. Please go ahead.

Samir Patel: Yes good afternoon Vikram and team, congrats on good numbers.

Vikram Mehra: Thank you.

Samir Patel: My question is regarding Yoodlee films. Can you just explain the process a little bit as to how the revenue item comes in and how is the whole process from the time you release it a first time and the second subscription you talked about

Vikram Mehra: You are asking how do we are accounting for Yoodlee films?

Samir Patel: Correct.

Vikram Mehra: First as the way it happens right now, the film is 100% produced by us, firstly 100% line produced by us, which means we have control over every cost element unlike the big studios who buy the films from somebody else and then sell it, we create our films so that is one advantage we bring to the table right now, if we are making these many number of films, we now have a benchmark for every small cost element across 17 of our films. We do long term deals with the cameraman, we do long term deals with the lights guy so that we can reduce the cost structures lower, which is on the cost side. Once the movie is ready as a policy Saregama never sells over its IP. IP is always retained by us, we license our movie either all rights or limited amount of rights to a digital platform for N number of years, thus movement of first digital deals happens the entire cost of the film gets charged off, the date of first digital deal is happening is happening right now, the cost of the film gets written off.

Samir Patel: In the same quarter?

Vikram Mehra: In the same month, with a movie which is costing Rs.100 and I have sold it for whatever Rs.70 or Rs.120, the Rs.100 cost is going to be return off in the same month in which the deal is happening and so is the revenue.

So the movie rights are always retain by us, so we keep whatever money we make out of movie is a separate source of income which we start recognizing as it starts happening. In some cases now our first set of movie deals that we did, all rights were given out there to somebody, now we have started breaking the rights and we are giving few right away even if you write away we are writing down the entire cost of the film, recognizing the revenue from those rights and keep on monetizing the other rights in the days to come.

Samir Patel: So that just means that now how may use at 17 films or 20 films you are already through?

Vikram Mehra: 10 films we already sold off or licensed out, you have another 7 films at various stages of production, some are pre-bought already by somebody, some are in stages right now, the licensing should happen anytime.

Samir Patel: So the 10 which are already licensed that is what is already in the numbers.

Vikram Mehra: It is only in our numbers yes.

Samir Patel: So up till now whatever you have recognized…

Vikram Mehra: The entire cost of the 10 films have been charged off and you have the revenue been recognized.

Samir Patel: Okay good. This is like whatever we see in this quarters number is something which should at least continue if not in an exponential fashion but at least we should see good numbers from the films?

Vikram Mehra: I will not agree with what you are saying right now, because there are four movies deal that happened in a single quarter it is just a phasing issue, what you will see for sure that year-on-year basis right now this will grow and it would remain profitable, that is one, last year Yoodlee film was breakeven this year Yoodlee films will be profitable and it will grow with time. Will it grow at the speed of that four films done in a quarter? no, we are not making 16 films, so this is phasing issues that happens. Second what you can be very sure of that there is nothing right now that it has been capitalized right now and it is going to hit the books at later juncture, entire cost we charge of for what you see what the reality is.

Samir Patel: Great. Thanks a lot Vikram that was the only thing I wanted to clarify. Thanks a lot and all the best.

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

Vikram Mehra: As I said earlier right now, it has been a difficult environment. We have managed to get over it right now with a good quarter. We remained bullish on the music licensing business. We expect it to grow overall around 25% plus minus 2% kind of rate and we will keep on investing in newer content on the Hindi side, Punjabi side, Tamil side. There are some bigger movies coming out there in Q4 and we are also going out there and acquiring films with financial year 2021 some even come in 2021-2022. You will see both investments as well as returns coming out there from the music licensing business. In light of the current environmental condition that are going on, we people are revising our Carvaan number estimate for the full year from 1.2 millions units to a 1 million units but what we assure you right now that as part of the strategy we also cutting down the sales and marketing spends right now because in an environment where consumer is consciously postponing the purchase decision, there is no point spending good money. We will conserve our resources to fight this battle once the environment becomes a more friendly, we will dramatically reduce our sales and marketing spends so that we go back and keep on protecting margins. The new Carvaan Go 2.0 with much more powerful speakers will get released in the month of December. We believe it should give some amount of flip right now and our strategy is to can I get more and more Carvaan Minis people to come to Carvaan Go because the price point Carvaan Go is priced in-between Carvaan and Carvaan Minis so we are trying to position our product out there to up the spends from the customer. The karoke product of ours right now we plan to release some time in the month of January 2020. The Carvaan brand we are now extending right now to the digital space also so you be seeing a host of content coming out under the brand name of Carvaan lounge in which many old songs are going to be get remixed, we already had lot of interest and sponsors to come on board, we will experiment with this process right now in the next of couple of quarters, but in a fashion right now once again the old Saregama strategy, will do lot of experiments out here, all low cost experiments to go back and see how does it work but we are keen to extend the Carvaan brand to the digital space also. It will help both ways, we can make more money out of the Carvaan brand and Carvaan brand becomes bigger even without sending money on it. We are also planning to extend Carvaan brand right now to some form of live music events in the days maybe the end of the current quarter right now to gain a better position as our plans concretize to tell you what all will happen on the live events, strategy out there is also the same, try it small, try it with other partners right now, so that we learn pretty fast so that we can scale up the business in the day to come. Overall management team we continue right now our bullishness on the core business on music licensing, Carvaan will continue in a steady fashion. We commit to you that it will not become a loss making proposition it will go back and deliver very low single digit net margin numbers, the films business will continue growing strength to strength. TV has turned profitable. We have all the intentions to keep it that way. Thank you.

Moderator: Thank you very much sir. Ladies and gentlemen on behalf of Anand Rathi Share and Stock Brokers that concludes this conference. Thank you for joining us and you may now disconnect your lines.