



is pleased to invite you to the

## **Q3FY21 Results Conference Call**

of

## **Saregama India Ltd**

Represented by

**Mr. Vikram Mehra, Managing Director**

**Mr. Vineet Garg, CFO**

**Mr. B L Chandak, Executive Director**

on

**Friday, January 22, 2021**

**at 16:00 hrs India Time**

**Diamond Pass registration link:**

Copy this Link in your browser: [Link](#)

*Call Co-ordinator*

**Mr. Bhupendra Tiwary:** Phone: +91 22 4084 0418, e-mail: [bhupendra.tiwary@icicisecurities.com](mailto:bhupendra.tiwary@icicisecurities.com)

**Mr. Sanjesh Jain:** Phone: +9122 6637 7153, e-mail: [sanjesh.jain@icicisecurities.com](mailto:sanjesh.jain@icicisecurities.com)

*For any clarification, please contact:*

**Mr. Rushad Kapadia:** Phone: +91 22 6637 7334, e-mail: [rushad.kapadia@icicisecurities.com](mailto:rushad.kapadia@icicisecurities.com)

**Ms. Divya Purohit:** Phone: +91 22 6637 7454, e-mail: [divya.purohit@icicisecurities.com](mailto:divya.purohit@icicisecurities.com)

(Rs in Lakhs)

**Statement of Unaudited Consolidated Financial Results for the Three Months and Nine Months Ended 31 December 2020**

Sl No.	Particulars	3 Months ended 31 December 2020	3 Months ended 30 September 2020	3 Months ended 31 December 2019	9 Months ended 31 December 2020	9 Months ended 31 December 2019	Year ended 31 March 2020
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	<b>Income</b>						
	(a) Revenue from operations	13,391	10,811	12,945	31,851	41,281	52,147
	(b) Other income	341	344	273	1,222	785	1,123
	<b>Total Income</b>	<b>13,732</b>	<b>11,155</b>	<b>13,218</b>	<b>33,073</b>	<b>42,066</b>	<b>53,270</b>
2	<b>Expenses</b>						
	(a) Cost of material consumed/ Contract manufacturing charges	917	54	2,611	1,004	9,796	10,703
	(b) Cost of production of films and television serials	1,734	1,232	1,236	3,145	4,513	5,408
	(c) Changes in inventories of finished goods and work-in-progress [(increase) /decrease]	1,013	225	64	2,014	(152)	256
	(d) Employee benefits expense	1,703	1,797	2,027	5,244	5,119	6,661
	(e) Finance costs	80	81	143	256	534	671
	(f) Depreciation and amortisation expense	124	125	115	377	347	464
	(g) Advertisement and sales promotion	1,200	694	2,161	2,501	7,860	9,294
	(h) Royalty expense	1,469	1,524	1,604	4,322	4,575	6,125
	(i) Other expenses	1,354	1,599	1,876	4,047	5,672	7,653
	<b>Total Expenses</b>	<b>9,594</b>	<b>7,331</b>	<b>11,837</b>	<b>22,910</b>	<b>38,264</b>	<b>47,235</b>
3	<b>Profit before exceptional items and tax (1-2)</b>	<b>4,138</b>	<b>3,824</b>	<b>1,381</b>	<b>10,163</b>	<b>3,802</b>	<b>6,035</b>
4	<b>Exceptional Items</b>	-	-	-	-	-	-
5	<b>Profit before tax (3-4)</b>	<b>4,138</b>	<b>3,824</b>	<b>1,381</b>	<b>10,163</b>	<b>3,802</b>	<b>6,035</b>
6	<b>Tax Expense</b>						
	(a) Current Tax	964	975	372	2,550	1,089	1,968
	(b) Tax related to earlier years	-	-	-	-	-	46
	(c) Deferred Tax (net)	14	(43)	(39)	(15)	(153)	(329)
	<b>Total tax expense</b>	<b>978</b>	<b>932</b>	<b>333</b>	<b>2,535</b>	<b>936</b>	<b>1,685</b>
7	<b>Profit for the period (5-6)</b>	<b>3,160</b>	<b>2,892</b>	<b>1,048</b>	<b>7,628</b>	<b>2,866</b>	<b>4,350</b>
8	<b>Other Comprehensive Income (net of taxes)</b>						
	(a) Items that will be reclassified to profit or loss	(13)	(23)	(30)	(23)	6	18
	(b) Items that will not be reclassified to profit or loss	384	(60)	(424)	3,487	(1,648)	(6,520)
	<b>Total Other Comprehensive Income</b>	<b>371</b>	<b>(83)</b>	<b>(454)</b>	<b>3,464</b>	<b>(1,642)</b>	<b>(6,502)</b>
9	<b>Total comprehensive income for the period (7+8)</b>	<b>3,531</b>	<b>2,809</b>	<b>594</b>	<b>11,092</b>	<b>1,224</b>	<b>(2,152)</b>
10	<b>Profit for the period attributable to:</b>						
	(a) Owner of the Company	3,158	2,819	1,017	7,552	2,813	4,394
	(b) Non-controlling Interest	2	73	31	76	53	(44)
11	<b>Other Comprehensive Income for the period attributable to:</b>						
	(a) Owner of the Company	374	(77)	(447)	3,470	(1,644)	(6,509)
	(b) Non-controlling Interest	(3)	(6)	(7)	(6)	2	7
12	<b>Total Comprehensive Income for the period attributable to:</b>						
	(a) Owner of the Company	3,532	2,742	570	11,022	1,169	(2,115)
	(b) Non-controlling Interest	(1)	67	24	70	55	(37)
13	<b>Paid-up Equity Share Capital (Face Value of Rs. 10/- each)</b>	<b>1,743</b>	<b>1,743</b>	<b>1,742</b>	<b>1,743</b>	<b>1,742</b>	<b>1,743</b>
14	<b>Other equity</b>						<b>38,136</b>
15	<b>Earnings Per Share (Face Value Rs. 10/- each): #</b>						
	(a) Basic (Rs.)	18.44	16.46	5.85	44.00	16.16	25.29
	(b) Diluted (Rs.)	18.25	16.35	5.85	43.57	16.16	25.26

#Figures for three months and nine months are not annualised



(Rs in Lakhs)

**Consolidated Segment wise Revenue, Results, Assets and Liabilities for the Three Months and Nine Months Ended 31 December 2020**

Sl No.	Particulars	3 Months ended 31 December 2020 (Unaudited)	3 Months ended 30 September 2020 (Unaudited)	3 Months ended 31 December 2019 (Unaudited)	9 Months ended 31 December 2020 (Unaudited)	9 Months ended 31 December 2019 (Unaudited)	Year ended 31 March 2020 (Audited)
1	<b>Segment Revenue</b>						
	(a) Music	11,420	10,035	11,523	28,419	35,260	44,434
	(b) Films/Television serials	1,856	664	1,223	3,107	5,380	7,025
	(c) Publication	115	112	199	325	641	688
	<b>Total Segment Revenue</b>	<b>13,391</b>	<b>10,811</b>	<b>12,945</b>	<b>31,851</b>	<b>41,281</b>	<b>52,147</b>
	Less: Inter Segment Revenue	-	-	-	-	-	-
	<b>Total Revenue from Operations</b>	<b>13,391</b>	<b>10,811</b>	<b>12,945</b>	<b>31,851</b>	<b>41,281</b>	<b>52,147</b>
2	<b>Segment Results</b>						
	(a) Music	5,168	5,124	2,549	14,077	6,536	9,056
	(b) Films/Television serials	152	(83)	96	(292)	510	915
	(c) Publication	(277)	(337)	(270)	(927)	(870)	(1,292)
	<b>Total</b>	<b>5,043</b>	<b>4,704</b>	<b>2,375</b>	<b>12,858</b>	<b>6,176</b>	<b>8,679</b>
	Less:						
	(a) Finance costs	80	81	143	256	534	671
	(b) Other unallocable expenditure net of unallocable income	825	799	851	2,439	1,840	1,973
	<b>Total Profit Before Tax</b>	<b>4,138</b>	<b>3,824</b>	<b>1,381</b>	<b>10,163</b>	<b>3,802</b>	<b>6,035</b>
3	<b>Segment Assets</b>						
	(a) Music	37,960	41,457	41,876	37,960	41,876	42,878
	(b) Films/Television serials	5,124	4,719	6,492	5,124	6,492	5,489
	(c) Publication	498	478	598	498	598	466
	(d) Unallocated	30,628	22,623	18,997	30,628	18,997	13,142
	<b>Total Segment Assets</b>	<b>74,210</b>	<b>69,277</b>	<b>67,963</b>	<b>74,210</b>	<b>67,963</b>	<b>61,975</b>
4	<b>Segment Liabilities</b>						
	(a) Music	15,647	14,435	13,098	15,647	13,098	14,373
	(b) Films/Television serials	1,044	1,132	1,002	1,044	1,002	827
	(c) Publication	397	375	325	397	325	298
	(d) Unallocated	6,425	6,213	10,587	6,425	10,587	6,373
	<b>Total Segment Liabilities</b>	<b>23,513</b>	<b>22,155</b>	<b>25,012</b>	<b>23,513</b>	<b>25,012</b>	<b>21,871</b>



**NOTES:**

- 1 The aforementioned results for the three months and nine months ended 31 December 2020 have been reviewed and recommended by the Audit Committee in their meeting held on 21 January 2021 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 nine months ended 31 December 2020.
- 2 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 six subsidiaries (including one step-down subsidiary), i.e. Saregama Limited (formerly known as Saregama Plc.), RPG Global Music Limited, Saregama FZE, Kolkata Metro Networks Limited, Open Media Network Private Limited and Saregama Inc. (Step-down subsidiary of Saregama India 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 entity has not been consolidated by the Group.
- 3 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 31 December 2020, 30 September 2020, 31 December 2019 and 31 March 2020. Unallocable corporate assets less unallocable corporate liabilities mainly represent investment of surplus funds and cash and bank balances.
- 4 In view of pandemic relating to COVID – 19, the Group has considered internal and external information available up to the date of approval of these consolidated financial results and has performed analysis based on current estimates in assessing the recoverability of its assets including trade receivables, inventories, investments, other financial and non-financial assets, for possible impact on these consolidated financial results. The Group has also assessed the impact of this whole situation on its capital and financial resources, profitability, liquidity position, etc. On the basis of its present assessment and current indicators of future economic conditions, the Group expects that there will be a reduction in revenue from the sale of Carvaan products and revenue from TV serials as compared to the previous year. However, this will not have any overall negative impact on the profitability. Apart from this, the Group does not anticipate any material impact on these consolidated financial results. However, the actual impact of COVID – 19 on the Group's financial results may differ from that estimated and the Group will continue to closely monitor any material changes to future economic conditions.
- 5 The figures of the previous periods/year have been regrouped/ reclassified, wherever necessary, to conform to the classification for the three months and nine months ended 31 December 2020.
- 6 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](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com).

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

Kolkata  
21 January 2021Vikram Mehra  
Managing Director  
DIN: 03556680



(Rs in Lakhs)

Statement of Unaudited Standalone Financial Results for the Three Months and Nine Months Ended 31 December 2020

SL. No.	Particulars	3 Months ended 31 December 2020 (Unaudited)	3 Months ended 30 September 2020 (Unaudited)	3 Months ended 31 December 2019 (Unaudited)	9 Months ended 31 December 2020 (Unaudited)	9 Months ended 31 December 2019 (Unaudited)	Year ended 31 March 2020 (Audited)
1	<b>Income</b>						
	(a) Revenue from operations	13,117	10,769	12,365	31,325	39,466	50,011
	(b) Other income	343	294	265	1,178	875	1,149
	<b>Total Income</b>	<b>13,460</b>	<b>11,063</b>	<b>12,630</b>	<b>32,503</b>	<b>40,341</b>	<b>51,160</b>
2	<b>Expenses</b>						
	(a) Contract manufacturing charges	899	149	2,230	1,071	9,009	9,979
	(b) Cost of production of films and television serials	1,734	1,232	1,236	3,145	4,513	5,408
	(c) Changes in inventories of finished goods and work-in-progress [ (increase) /decrease ]	969	231	290	1,943	125	337
	(d) Employee benefits expense	1,398	1,451	1,723	4,285	4,133	5,344
	(e) Finance costs	80	81	143	256	534	671
	(f) Depreciation and amortisation expense	120	120	110	364	333	445
	(g) Advertisement and sales promotion	1,761	1,376	2,398	3,833	8,365	9,417
	(h) Royalty expense	1,468	1,524	1,604	4,321	4,575	6,128
	(i) Other expenses	1,235	1,313	1,639	3,520	5,200	6,852
	<b>Total Expenses</b>	<b>9,664</b>	<b>7,477</b>	<b>11,373</b>	<b>22,738</b>	<b>36,787</b>	<b>44,581</b>
3	<b>Profit before exceptional items and tax (1-2)</b>	<b>3,796</b>	<b>3,586</b>	<b>1,257</b>	<b>9,765</b>	<b>3,554</b>	<b>6,579</b>
4	<b>Exceptional Items</b>	-	-	-	-	-	-
5	<b>Profit before tax (3-4)</b>	<b>3,796</b>	<b>3,586</b>	<b>1,257</b>	<b>9,765</b>	<b>3,554</b>	<b>6,579</b>
6	<b>Tax Expense</b>						
	(a) Current Tax	964	974	373	2,548	1,090	1,963
	(b) Tax related to earlier years	-	-	-	-	-	46
	(c) Deferred Tax (net)	14	(43)	(39)	(15)	(153)	(329)
	<b>Total tax expense</b>	<b>978</b>	<b>931</b>	<b>334</b>	<b>2,533</b>	<b>937</b>	<b>1,680</b>
7	<b>Profit for the period (5-6)</b>	<b>2,818</b>	<b>2,655</b>	<b>923</b>	<b>7,232</b>	<b>2,617</b>	<b>4,899</b>
8	<b>Other Comprehensive Income (net of taxes)</b>						
	(a) Items that will be reclassified to profit or loss	-	-	-	-	-	-
	(b) Items that will not be reclassified to profit or loss	310	(45)	(345)	2,841	(1,355)	(5,321)
	<b>Total Other Comprehensive Income</b>	<b>310</b>	<b>(45)</b>	<b>(345)</b>	<b>2,841</b>	<b>(1,355)</b>	<b>(5,321)</b>
9	<b>Total comprehensive income for the period (7+8)</b>	<b>3,128</b>	<b>2,610</b>	<b>578</b>	<b>10,073</b>	<b>1,262</b>	<b>(422)</b>
10	<b>Paid-up Equity Share Capital (Face Value of Rs.10/- each)</b>	<b>1,743</b>	<b>1,743</b>	<b>1,742</b>	<b>1,743</b>	<b>1,742</b>	<b>1,743</b>
11	<b>Other equity</b>						<b>39,636</b>
12	<b>Earnings Per Share (Face Value Rs. 10/- each): #</b>						
	(a) Basic (Rs.)	16.45	15.50	5.31	42.14	15.03	28.20
	(b) Diluted (Rs.)	16.29	15.40	5.31	41.72	15.03	28.16

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



(Rs in Lakhs)

**Standalone Segment wise Revenue, Results, Assets and Liabilities for the Three Months and Nine Months Ended 31 December 2020**

SL. No.	Particulars	3 Months ended 31 December 2020 (Unaudited)	3 Months ended 30 September 2020 (Unaudited)	3 Months ended 31 December 2019 (Unaudited)	9 Months ended 31 December 2020 (Unaudited)	9 Months ended 31 December 2019 (Unaudited)	Year ended 31 March 2020 (Audited)
1	<b>Segment Revenue</b>						
	(a) Music	11,261	10,105	11,142	28,218	34,086	42,986
	(b) Films/Television serials	1,856	664	1,223	3,107	5,380	7,025
	<b>Total segment revenue</b>	13,117	10,769	12,365	31,325	39,466	50,011
	<b>Less: Inter Segment Revenue</b>	-	-	-	-	-	-
	<b>Total Revenue from Operations</b>	13,117	10,769	12,365	31,325	39,466	50,011
2	<b>Segment Results</b>						
	(a) Music	4,540	4,541	2,152	12,732	5,609	8,496
	(b) Films/Television serials	152	(83)	96	(292)	510	915
	<b>Total</b>	4,692	4,458	2,248	12,440	6,119	9,411
	<b>Less:</b>						
	(a) Finance costs	80	81	143	256	534	671
	(b) Other unallocable expenditure net of unallocable income	816	791	848	2,419	2,031	2,161
	<b>Total Profit Before Tax</b>	3,796	3,586	1,257	9,765	3,554	6,579
3	<b>Segment Assets</b>						
	(a) Music	37,658	41,463	41,235	37,658	41,235	42,711
	(b) Films/Television serials	5,124	4,719	6,492	5,124	6,492	5,489
	(c) Unallocated	30,730	22,797	18,305	30,730	18,305	13,715
	<b>Total Segment Assets</b>	73,512	68,979	66,032	73,512	66,032	61,915
4	<b>Segment Liabilities</b>						
	(a) Music	15,254	14,007	12,405	15,254	12,405	13,696
	(b) Films/Television serials	1,044	1,132	1,002	1,044	1,002	827
	(c) Unallocated	6,260	6,061	10,094	6,260	10,094	6,013
	<b>Total Segment Liabilities</b>	22,558	21,200	23,501	22,558	23,501	20,536



**NOTES:**

- 1 The aforementioned results for the three months and nine months ended 31 December 2020 have been reviewed and recommended by the Audit Committee in their meeting held on 21 January 2021 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 nine months ended 31 December 2020.
- 2 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 31 December 2020.
- 3 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 31 December 2020, 30 September 2020, 31 December 2019 and 31 March 2020. Unallocable corporate assets less unallocable corporate liabilities mainly represent investment of surplus funds and cash and bank balances.
- 4 In view of pandemic relating to COVID – 19, the Company has considered internal and external information available up to the date of approval of these standalone financial results and has performed analysis based on current estimates in assessing the recoverability of its assets including trade receivables, inventories, investments, other financial and non-financial assets, for possible impact on these standalone financial results. The Company has also assessed the impact of this whole situation on its capital and financial resources, profitability, liquidity position, etc. On the basis of its present assessment and current indicators of future economic conditions, the Company expects that there will be a reduction in revenue from the sale of Carvaan products and revenue from TV serials as compared to the previous year. However, this will not have any overall negative impact on the profitability. Apart from this, the Company does not anticipate any material impact on these standalone financial results. However, the actual impact of COVID – 19 on the Company's financial results may differ from that estimated and the Company will continue to closely monitor any material changes to future economic conditions.
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Kolkata  
21 January 2021



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

  
Vikram Mehra  
Managing Director  
DIN: 03556680

## **Q3FY21 PAT up by 201% to Rs. 316 Mn**

### **Riding the Stay-at-Home wave**

**Mumbai, January 21, 2021:** Saregama, India's oldest music label and the youngest movie studio, announced its financial results for the 3rd Quarter of the Financial year 2020-21. Company PAT at Rs 316 Mn registered a 201% growth compared to same quarter last year. Even on QoQ basis, the Q3FY21's consolidated turnover at Rs. 1,339 Mn and PBT at Rs 414 Mn grew by 24% and 8% respectively.

### **9M FY21 PBT is Rs.1,016 Mn against Full Year FY20 PBT of Rs.603 Mn**

Saregama has consistently been able to increase monetisation of its IP (music, films, TV serials) over the last 12 quarters. Digitisation and low cost of data in India remain the growth driver of content consumption. This is further fuelled by the increase in smartphones & rising popularity of OTT apps.

With no new films getting released, Saregama focussed on creation/ acquisition of non-film Hindi and regional language songs over the last 10 months. Saregama has also bought music rights of four big banner Hindi films, expected to release in the next 6 to 14 months.

The Company recently launched Carvaan Mini Kids and Carvaan Karaoke, both of which have met with a lot of customer appreciation. Saregama sold 138K Carvaan units in Q3 FY21, up by 70% QoQ.

Saregama released the film 'Comedy Couple' on Zee5. The film has received 7.5 IMDb rating and has been trending since launch. With this movie the Company's movie studio Yoodlee has released 15 films over the last 38 months.

The Tamil serial 'Roja' continues to reign at No.1 position (by TRPs) across all Tamil channels. Its views on Youtube have also grown significantly. Buoyed by its success, Saregama launched its 3rd serial 'Anbe Vaa' on Sun TV during this quarter. Within two months, the program has started getting high TRPs.

The fast growing digitisation-of-India, buoyed by present Covid situation, is the key driver of change in content consumption habits. This trend is expected to continue for a long time, and Saregama has aligned its content strategy to ride on this digital wave.

### **About Saregama India:**

Saregama India Limited, formerly known as The Gramophone Company of India Ltd is a RPSG group company owning the largest music archives in India and one of the biggest in the world. The ownership of nearly 50 per cent of all the music ever recorded in India also makes Saregama the most authoritative repository of the country's musical heritage. Saregama has also expanded into other branches of entertainment - publishing, film production and digital content.



**About RPSG Group:**

RP-Sanjiv Goenka Group is one of India's fastest growing conglomerates with a significant global presence. The Group's businesses include power and energy, carbon black manufacturing, retail, IT-enabled services, FMCG, media and entertainment, and agriculture.

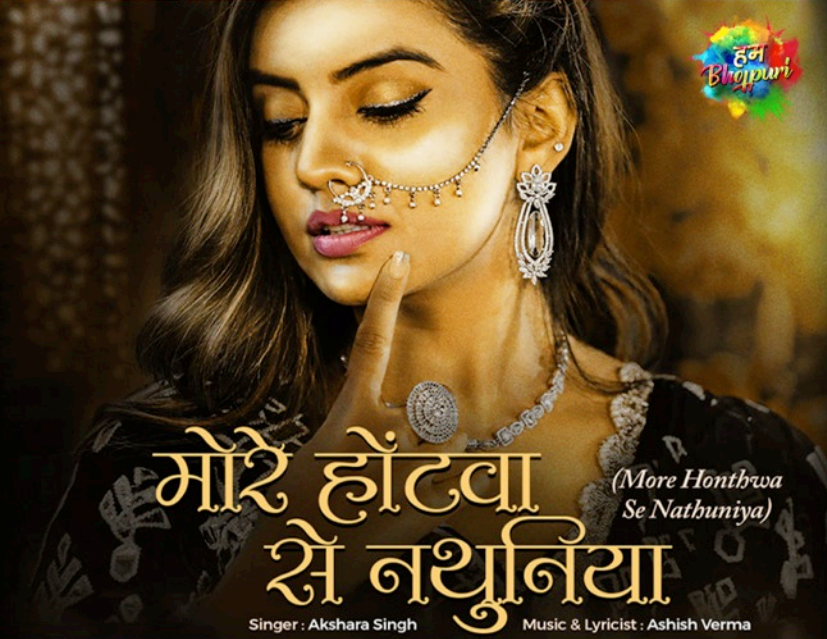
**For further information, please contact:**

Honey Sheth | [honey.sheth@mslgroup.com](mailto:honey.sheth@mslgroup.com) | 9870097011

Arzoo Chhabra | [arzoo.chhabra@mslgroup.com](mailto:arzoo.chhabra@mslgroup.com) | 9504432768

SAREGAMA ORIGINALS

maula



मोरे होंटवा  
से नथुनिया

(More Honthwa  
Se Nathuniya)

Singer : Akshara Singh

Music & Lyricist : Ashish Verma

Ding Dong, Baby  
Sing a Song!



SAREGAMA  
CARVAAN™  
— KARAOKE —

1000 PRE-LOADED KARAOKE TRACKS | 5000 PRE-LOADED EVERGREEN SONGS



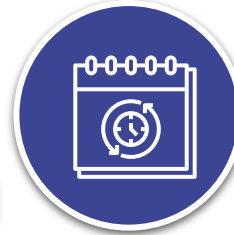
amazon  
prime music  
PRESENTS  
CARVAAN  
*Lounge*  
TAMIL

YouTube



India's oldest music label and  
youngest film production house

Producing digital thematic films targeted at  
the youth segment. 15 movies released on  
Netflix / Disney Hotstar/Zee5 in 3 yrs



Consistent Dividend Yield and  
Zero Debt Company

Leading producer in terms of  
number of hours of content (6k+  
hrs) produced for Tamil television  
serials



Strong management team with  
experienced professionals from the  
entertainment industry

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



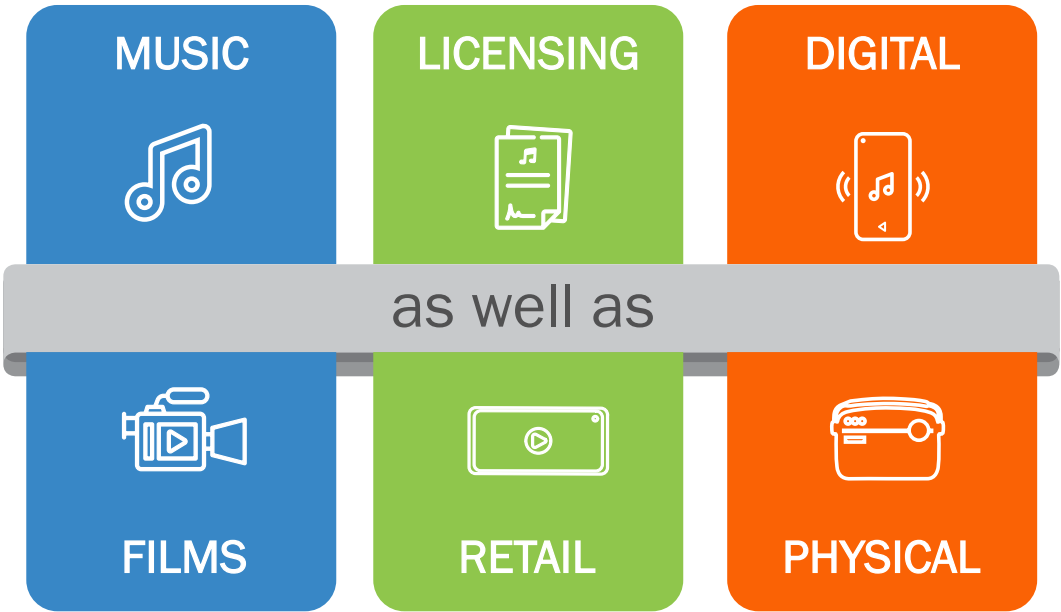
Owning Intellectual Property (IP) rights  
for more than 130,000+ songs, 6k+  
hours of television serials and 60  
movies

Digital licensing agreements across global OTT  
platforms, social media giants, TV channels,  
radio stations etc.  
7B+ pm song touch points



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

INDIA'S ONLY  
Entertainment Company  
into



Music

India's Largest Music IP  
**130k+**  
Songs

Films

Content IP rights of  
**60**  
Films

Television Serials

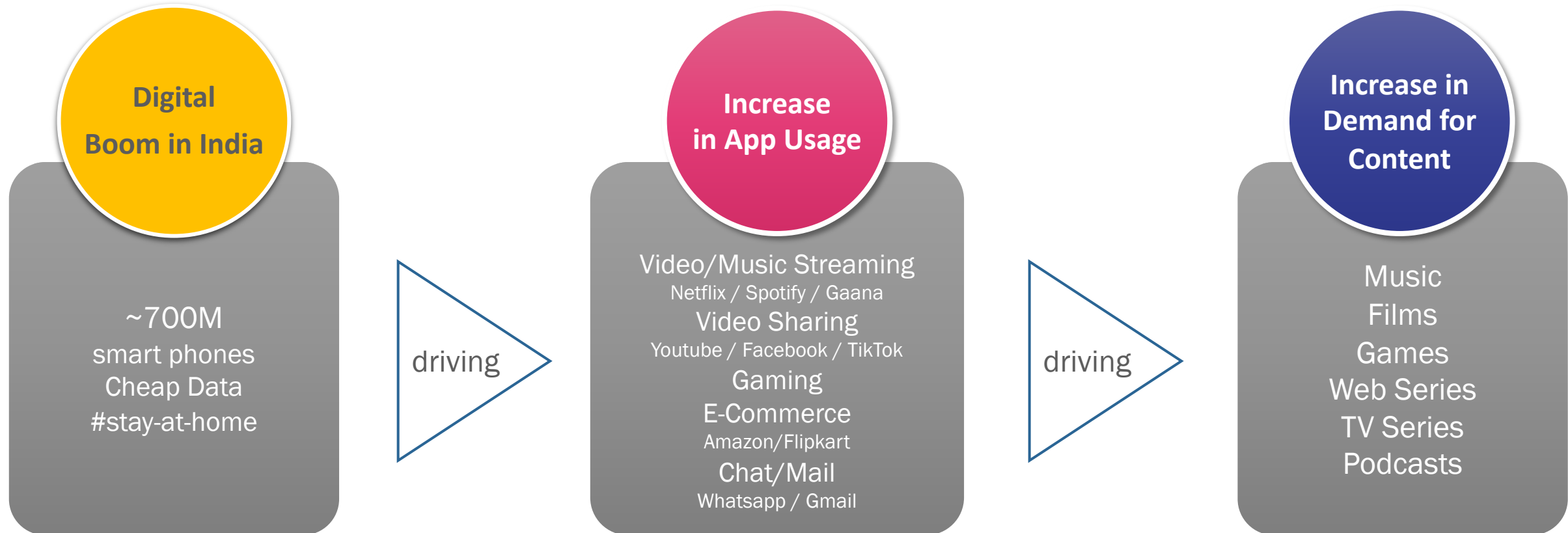
Content IP rights of  
**6k+**  
Hours of Television Serials

Retail Business

Distribution network  
**30k**  
Retailers



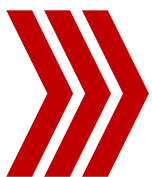
## DIGITISATION DRIVING GROWTH



130k+ Songs | 60 Movies | 6k+ hrs of TV Series | Advantage **Saregama**

To be a **Pure Play Content Company** capitalizing on the global content consumption boom  
driven by the ever-increasing **Digitization**

## Monetisation of Existing IP

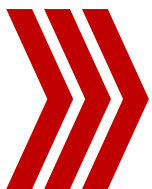


Through licensing to EVERY 3rd party Digital (music, video, social) and TV platform



Carvaan transitioning from being a Product with only one-time margin to a Platform with upfront margin and recurring advertising and subscription revenue

## Building of New IP



Cementing leadership position with New film and non-film music acquisition across Hindi, Tamil, Bhojpuri, Gujarati, Punjabi and other regional languages



Producing Thematic films, with Story as the only hero, targeted at youth. Revenue primarily from licensing to digital platforms. Scale allowing lower cost of production

IP Creation over next 3 years (through Internal Cash Flows)



**20% Market Share**  
in New Film Music



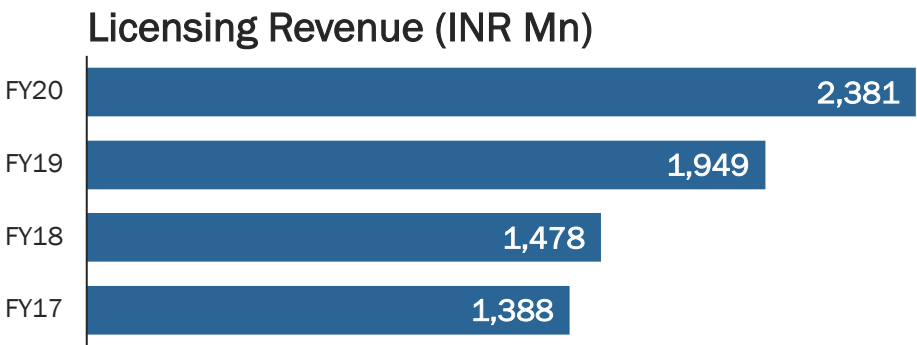
**50 New Films**  
and Web Series



**1,200 to 1,500 hours**  
of new TV serials content

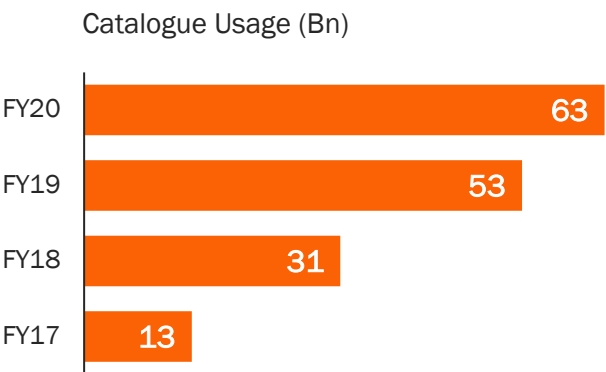


## Fast Growing Licensing Revenue

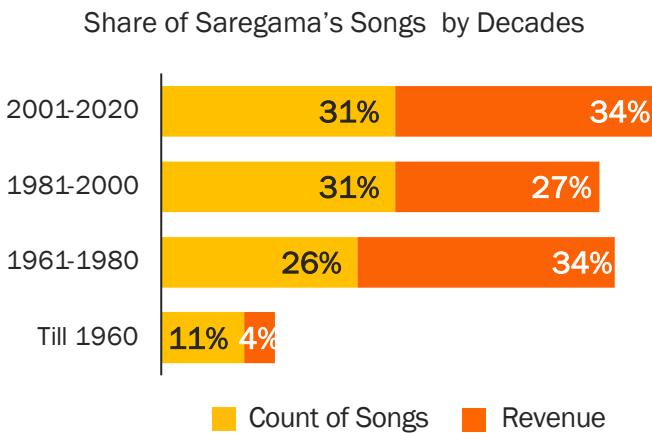


On account of

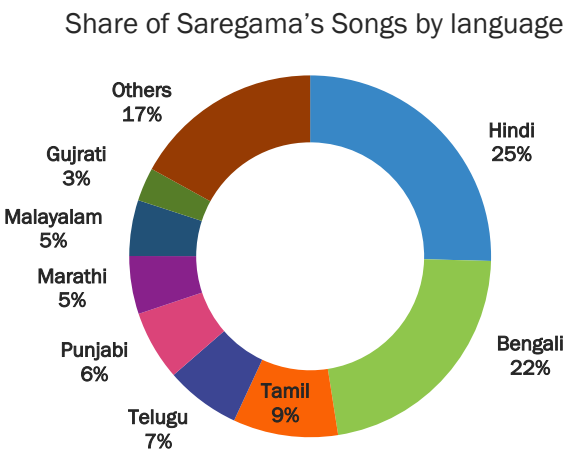
### A. Growing customer interest in Retro Music



### B. Saregama’s Investment in New Music



### C. Presence across all Indian Languages



A typical movie has 5 songs. Assuming a music label acquires 1000 movies in a year, it will get 5k songs. By comparison, Saregama owns 130k songs, each digitised with rich metadata behind it, giving it a big competitive advantage

# Our Music Licensing Partners



## Music Streaming Platforms



## Broadcasting Platforms



## Video Streaming Platforms



## Social Media Platforms



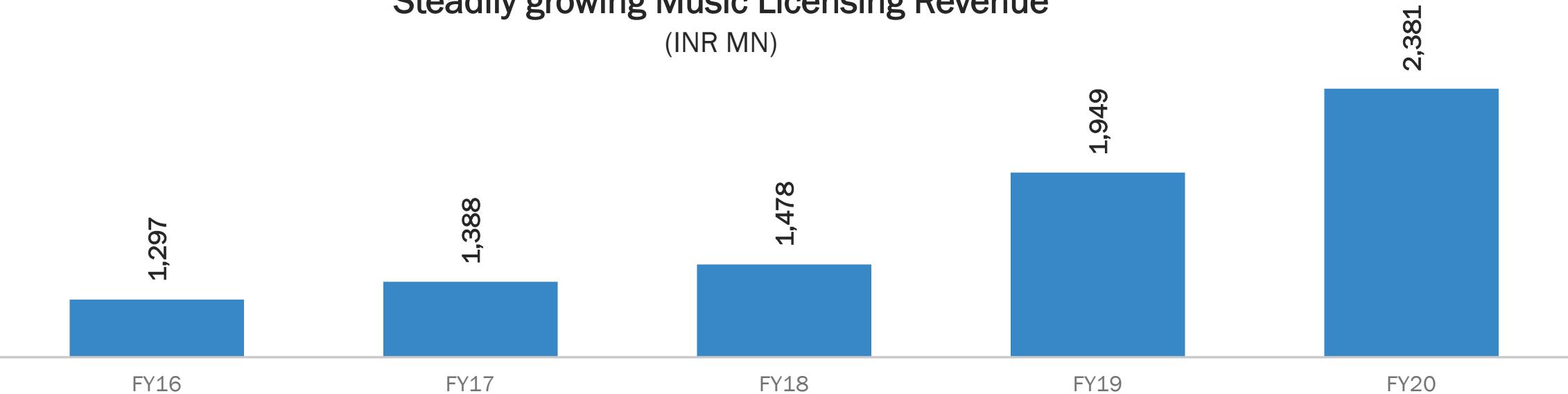


# OPERATIONAL HIGHLIGHTS

# Music Segment Operational Highlights



Steadily growing Music Licensing Revenue  
(INR MN)

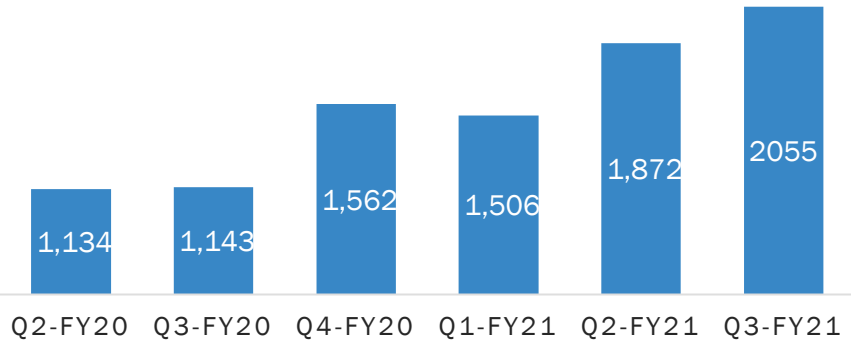


## WHAT'S NEW

- Hindi Original song ‘Maula’ by Papon released
- Entered EDM segment with Dj Bhediya
- 40 Bhojpuri songs with top industry talent
- 14 Gujarati songs released
- Carvaan Longue Tamil launched with Amazon Prime as the sponsor



YOUTUBE VIEWS (MN) PER QUARTER



Views count is from 25 Saregama owned channels

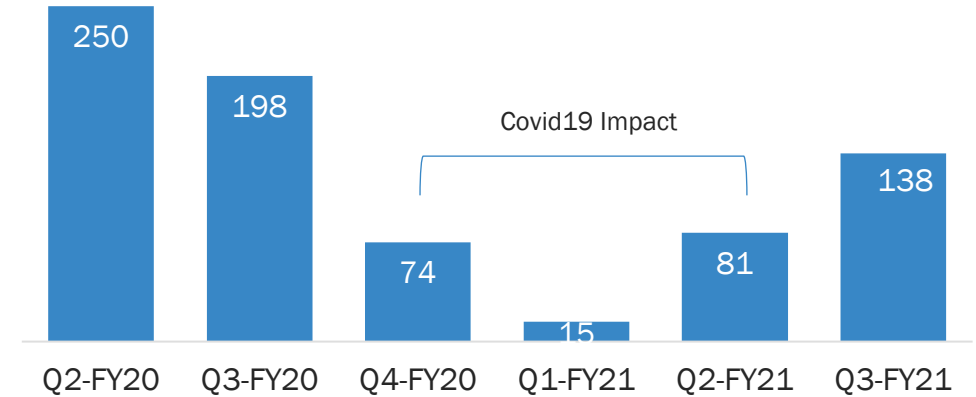
# Music Segment Operational Highlights



- Carvaan sales picking up
  - Retail network fully operational
  - Footfalls in stores still low
  - Share of Digital sales going up
- 289 Podcast stations with average daily consumption of 39 mins per user on Carvaan 2.0
- Carvaan Karaoke launched in Q3
- Carvaan Mini Kids : the big seller



Carvaan Sales (units '000s)



## Future Outlook

Reliance on Natural Pull from the market  
Tight cost controls to continue

## Film Segment



- [Comedy Couple](#) released on Zee5 on 21<sup>st</sup> October'20



### Future Outlook

One more movie to be released in Q4

Marathi Movie [Zombivli](#) shoot over. To be released in FY22

## TV Segment



- [Roja](#) continues to hold number 1 serial position across Tamil channels.
- Roja is also garnering ~4M views per episode on YouTube
- [Chandralekha](#) holds No 1 position in afternoon slot
- New Tamil TV serial [Anbe Vaa](#) launched on Prime Time slot in November 2020. Garnering 7+ TRP

### Future Outlook

Monetisation of Tamil serials on Facebook



# FINANCIAL HIGHLIGHTS

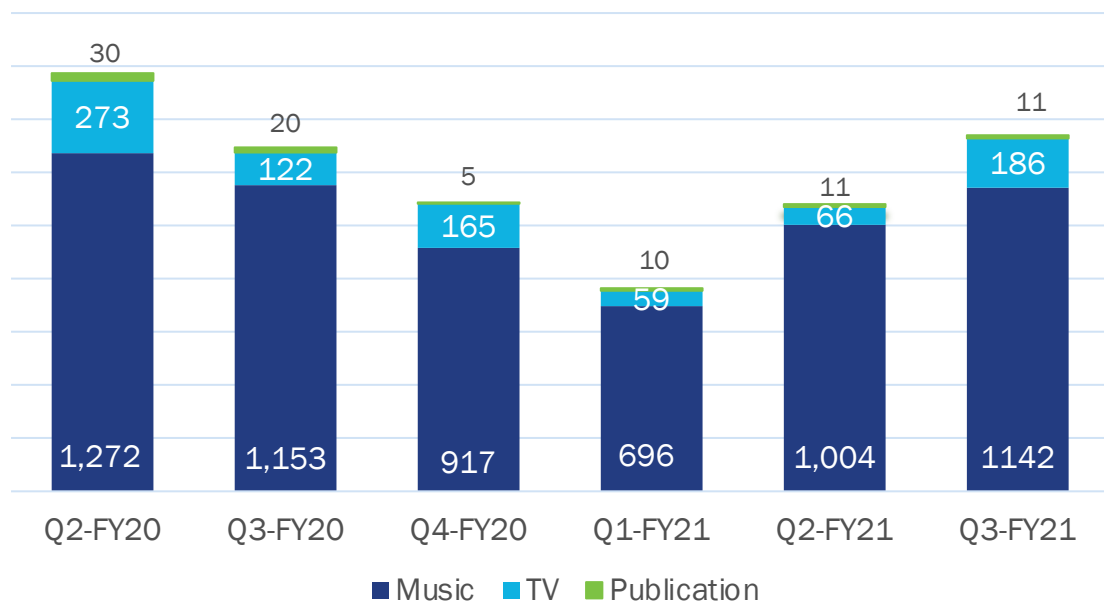
## CONSOLIDATED

# Quarterly Financial Summary

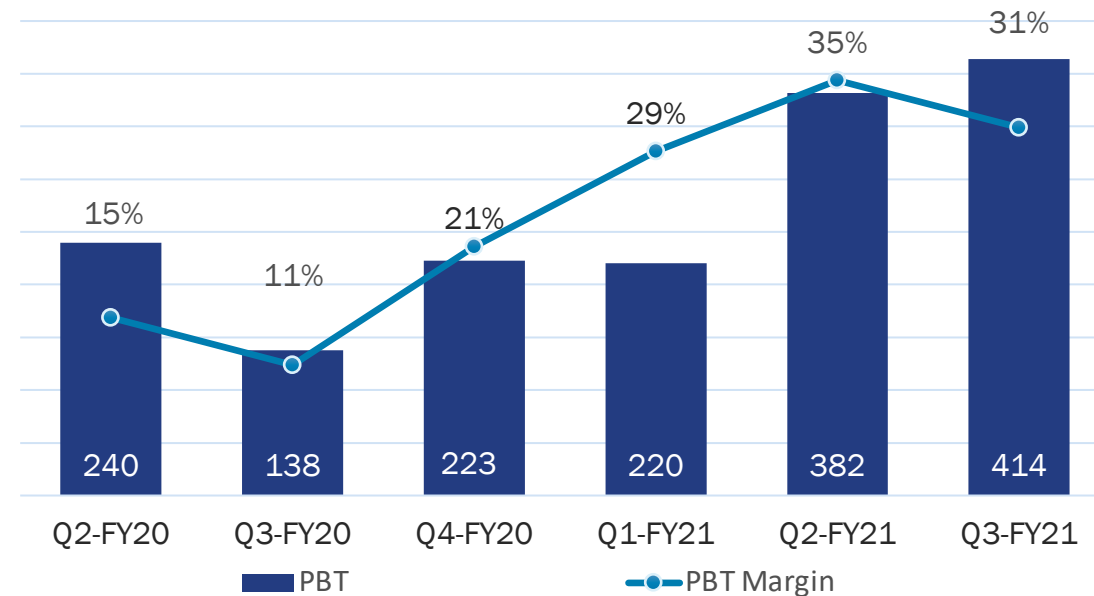


Particulars (INR Mn)	Q3-FY21	Q2-FY21	Q-o-Q Growth	Q3-FY20	Y-o-Y
<b>Revenues</b>					
• Music	1,142	1,004	14%	1,153	(1)%
• TV & Films	186	66	182%	122	52%
• Publication	11	11	-	20	(45)%
<b>Turnover</b>	1,339	1,081	24%	1,295	3%
<b>PBT</b>	414	382	8%	138	200%
<b>PAT</b>	316	289	9%	105	201%

Revenue (INR Mn)



PBT (INR Mn) & PBT Margin



# Financial Performance



Particulars (INR Mn)	Q3-FY21	Q2-FY21	Q-o-Q Growth	Q3-FY20	Y-o-Y Growth	9M FY 21	9M FY 20	Y-o-Y Growth
<b>Turnover</b>	<b>1,339</b>	<b>1,081</b>	<b>24%</b>	<b>1,295</b>	<b>3%</b>	<b>3,185</b>	<b>4,128</b>	<b>(23)%</b>
Other Income	34	34	-	27	26%	122	78	56%
<b>Total Revenue</b>	<b>1,373</b>	<b>1,115</b>	<b>23%</b>	<b>1,322</b>	<b>4%</b>	<b>3,307</b>	<b>4,206</b>	<b>(21)%</b>
Total Expenses	939	712	32%	1,159	(19)%	2,227	3,738	(40)%
<b>EBITDA</b>	<b>434</b>	<b>403</b>	<b>8%</b>	<b>163</b>	<b>166%</b>	<b>1080</b>	<b>468</b>	<b>131%</b>
<b>EBITDA Margin (%)</b>	<b>32%</b>	<b>37%</b>		<b>13%</b>		<b>34%</b>	<b>11%</b>	
Depreciation	12	13	(8)%	11	9%	38	35	9%
Finance Cost	8	8		14	(43)%	26	53	(51)%
<b>PBT</b>	<b>414</b>	<b>382</b>	<b>8%</b>	<b>138</b>	<b>200%</b>	<b>1016</b>	<b>380</b>	<b>167%</b>
Tax	98	93	5%	33	197%	253	93	172%
<b>PAT</b>	<b>316</b>	<b>289</b>	<b>9%</b>	<b>105</b>	<b>201%</b>	<b>763</b>	<b>287</b>	<b>166%</b>
<b>PAT Margin (%)</b>	<b>24%</b>	<b>27%</b>		<b>8%</b>		<b>24%</b>	<b>7%</b>	
<b>Diluted EPS</b>	<b>18.25</b>	<b>16.35</b>		<b>5.85</b>		<b>43.57</b>	<b>16.16</b>	

# Balance Sheet



Equity and Liabilities (INR Mn)	As on 31 <sup>st</sup> Dec 2020	As on 31 <sup>st</sup> Mar 2020
<b>Shareholders Fund</b>		
(a) Equity Share Capital	174	174
(b) Other Equity	4,866	3,814
<b>Net worth</b>	<b>5,040</b>	<b>3,988</b>
(a) Non-Controlling Interest	29	22
<b>Non-Current Liabilities</b>		
(a) Employee Benefit Obligations	47	35
(b) Deferred tax liabilities (Net)	502	458
<b>Current Liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	-	92
(ii) Trade Payables	535	579
(iii) Lease Liabilities	-	5
(iv) Other Financial Liabilities	316	235
(b) Other Current Liabilities	253	244
(c) Provisions	680	516
(d) Employee Benefit Obligation	20	23
<b>Total</b>	<b>7,422</b>	<b>6,197</b>

Assets (INR Mn)	As on 31 <sup>st</sup> Dec 2020	As on 31 <sup>st</sup> Mar 2020
<b>Non Current Fixed Assets</b>		
(a) Property, Plant and Equipment	2,043	2,053
(b) Right of use Asset	-	5
(c) Investment Properties	23	23
(d) Intangible assets	114	112
(e) Intangible asset under development	3	-
(f) Financial Assets		
(i) Investments	1,162	754
(ii) Loans and Deposits	42	47
(iii) Other Financial Assets	18	-
(g) Other Non Current Assets	86	24
<b>Current Assets</b>		
(a) Inventories	737	936
(b) Financial Assets		
(i) Investments	250	-
(ii) Trade Receivables	686	1,085
(iii) Cash and cash equivalents	97	70
(iv) Bank Balances other than (iii) above	1,151	19
(v) Loans	3	3
(vi) Other financial assets	12	1
(c) Current Tax Assets (Net)	298	369
(d) Other Current Assets	697	696
<b>Total</b>	<b>7,422</b>	<b>6,197</b>



# Cash Flow Statement



Particulars (INR Mn)	9M-FY21		FY20	
Pre-Tax Profit	1,016		603	
Change in other operating activities ( Non Cash Items)	(20)		25	
Change in Working capital	883		388	
Taxes Paid	(184)		(221)	
<b>Net cash generated from/(used in) Operating Activities (A)</b>		<b>1,695</b>		<b>795</b>
Purchase of Fixed Assets (Including Intangible Assets)	(96)		(83)	
Bank Fixed Deposits	(1,149)		-	
Investment in Mutual Fund	(250)		-	
Other Investing Activities	4		33	
<b>Net cash (used in) Investing Activities (B)</b>		<b>(1,491)</b>		<b>(50)</b>
Net cash (used in) Treasury Shares	(51)		(76)	
Repayment/Proceed from Short term Borrowing	(92)		(546)	
Proceeds from Issue of Share Capital	1		2	
Repayment of Lease Liability	(5)		(9)	
Dividend and taxes thereon paid	(26)		(63)	
Interest Paid	(4)		(33)	
<b>Net cash generated from/(used in) Financing Activities ( C )</b>		<b>(177)</b>		<b>(725)</b>
<b>Net Inc./ (Dec.) in Cash and Cash Equivalent</b>		<b>27</b>		<b>20</b>
Cash and Cash Equivalents at the beginning of the period		70		50
<b>Cash and Cash Equivalents at End of the period</b>		<b>97</b>		<b>70</b>

# FINANCIAL HIGHLIGHTS

## STANDALONE

# Financial Performance



Particulars (INR Mn)	Q3-FY21	Q2-FY21	Q-o-Q Growth	Q3-FY20	Y-o-Y Growth	9M-FY21	9M-FY20	Y-o-Y Growth
Turnover	1,312	1,077	22%	1,237	6%	3,132	3,947	(21)%
Other Income	34	29	17%	26	31%	118	87	36%
Total Revenue	1,346	1,106	22%	1,263	7%	3,250	4,034	(19)%
Total Expenses	946	727	30%	1,112	(15)%	2,212	3,593	(38)%
EBITDA	400	379	6%	151	165%	1038	441	135%
<i>EBITDA Margin (%)</i>	30%	35%		12%		33%	11%	
Depreciation	12	12	-	11	9%	36	33	9%
Finance Cost	8	8	-	14	(43)%	26	53	(51)%
PBT	380	359	6%	126	201%	976	355	175%
Tax	98	93	5%	34	188%	253	93	172%
PAT	282	266	6%	92	207%	723	262	176%
<i>PAT Margin (%)</i>	21%	25%		7%		23%	7%	
Diluted EPS	16.29	15.40		5.31		41.72	15.03	

# Balance Sheet



Equity and Liabilities (INR Mn)	As on 31 <sup>st</sup> Dec 2020	As on 31 <sup>st</sup> Mar 2020	Assets (INR Mn)	As on 31 <sup>st</sup> Dec 2020	As on 31 <sup>st</sup> Mar 2020
<b>Shareholders Fund</b>			<b>Non Current Fixed Assets</b>		
(a) Equity Share Capital	174	174	(a) Property, Plant and Equipment	2043	2,052
(b) Other Equity	4921	3,964	(b) Right to use assets	-	4
<b>Net worth</b>	<b>5095</b>	<b>4,138</b>	(c) Investment Properties	23	23
<b>Non-Current Liabilities</b>			(d) Intangible assets	113	110
(a) Employee Benefit Obligations	39	29	(e) Investments in subsidiaries and Joint Venture	186	186
(b) Deferred tax liabilities (Net)	486	451	(f) Intangible asset under development	3	-
			(g) Financial Assets		
<b>Current Liabilities</b>			(i) Investments	951	619
(a) Financial Liabilities			(ii) Loans and Deposits	39	44
(i) Borrowings	-	63	(iii) Other Financial Assets	18	-
(ii) Trade Payables	504	522	(h) Other Non Current Assets	85	23
(iii) Lease Liabilities	-	5	<b>Current Assets</b>		
(iv) Other Financial Liabilities	291	221	(a) Inventories	696	891
(b) Other Current Liabilities	241	227	(b) Financial Assets		
(c) Provisions	678	514	(i) Investments	250	
(d) Employee Benefit Obligation	17	21	(ii) Trade Receivables	722	1,103
<b>Total</b>	<b>7,351</b>	<b>6,191</b>	(iii) Cash and cash equivalents	44	33
			(iv) Bank Balances other than (iii) above	1151	19
			(v) Loans	40	13
			(vi) Other Financial Assets	14	1
			(c) Current Tax Assets (Net)	282	354
			(d) Other Current Assets	691	716
			<b>Total</b>	<b>7,351</b>	<b>6,191</b>



# Cash Flow Statement



Particulars (INR Mn)	9M-FY21		FY20	
Pre-Tax Profit	976		658	
Change in other operating activities ( Non Cash Items)	(24)		44	
Change in Working capital	908		362	
Taxes Paid	(183)		(218)	
<b>Net cash generated from/(used in) Operating Activities (A)</b>		<b>1,677</b>		<b>846</b>
Purchase of Fixed Assets (Including Intangible Assets)	(96)		(82)	
Bank Fixed Deposits	(1,149)		-	
Investment in Mutual Fund	(250)		-	
Other Investing Activities	(24)		(21)	
<b>Net cash (used in) Investing Activities (B)</b>		<b>(1,519)</b>		<b>(103)</b>
Net cash (used in) Treasury Shares	(51)		(76)	
Repayment/Proceed from Short term Borrowing	(63)		(546)	
Proceed from issue of share capital	1		2	
Repayment of lease liability	(5)		(9)	
Dividend and taxes thereon paid	(26)		(63)	
Interest Paid	(3)		(33)	
<b>Net cash generated from/(used in) Financing Activities ( C )</b>		<b>(147)</b>		<b>(725)</b>
<b>Net Inc./ (Dec.) in Cash and Cash Equivalent</b>		<b>11</b>		<b>18</b>
Cash and Cash Equivalents at the beginning of the period		33		15
<b>Cash and Cash Equivalents at End of the period</b>		<b>44</b>		<b>33</b>

# HISTORICAL FINANCIALS

# Historical Consolidated Income Statement



Particulars (INR Mn)	FY20	FY19	FY18
Revenue from Operations	5,215	5,447	3,566
Other Income #	112	564	102
<b>Total Revenue</b>	<b>5,327</b>	<b>6,011</b>	<b>3,668</b>
Total Expenses	4,610	5,065	3,203
<b>EBITDA</b>	<b>717</b>	<b>946</b>	<b>465</b>
<b>EBITDA Margin (%)</b>	<b>14%</b>	<b>17%</b>	<b>13%</b>
Depreciation	47	33	42
Finance Cost	67	66	34
<b>PBT</b>	<b>603</b>	<b>847</b>	<b>389</b>
Tax	168	304	106
<b>PAT</b>	<b>435</b>	<b>543</b>	<b>283</b>
<b>PAT Margins (%)</b>	<b>8%</b>	<b>9%</b>	<b>8%</b>
Other Comprehensive Income	(650)	(13)	164
Total Comprehensive Income (After Tax)	(215)	530	447
Diluted EPS (INR)	25.3	31.2	16.2

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

# Historical Consolidated Balance Sheet



Equity and Liabilities (INR Mn)	FY20	FY19	FY18
<b>Shareholders Fund</b>			
(a) Equity Share Capital	174	174	174
(b) Other Equity	3,814	4,107	3,643
<b>Net worth</b>	<b>3,988</b>	<b>4,281</b>	<b>3,817</b>
(c) Non Controlling Interest	22	26	23
<b>Non Current Liabilities</b>			
(a) Employee Benefit Obligations	35	28	24
(b) Deferred tax liabilities (Net)	458	581	479
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	92	638	159
(ii) Trade Payables	579	564	404
(iii) Lease Liabilities	5	-	-
(iv) Other Financial Liabilities	235	421	359
(b) Other Current Liabilities	244	183	149
(c) Provisions	516	357	361
(d) Employee Benefit Obligation	23	9	8
<b>Total</b>	<b>6,197</b>	<b>7,088</b>	<b>5,783</b>

Assets (INR Mn)	FY20	FY19	FY18
<b>Non Current Fixed Assets</b>			
(a) Property, Plant and Equipment	2,053	2,057	1,884
(b) Right to use assets	5		
(c) Investment Properties	23	24	24
(c) Intangible assets	112	71	65
(d) Financial Assets			
(i) Investments	754	1,483	1,510
(ii) Loans and Deposits	47	49	40
(iii) Other Financial Assets	-	-	-
(e) Other Non Current Assets	24	16	112
<b>Current Assets</b>			
(a) Inventories	936	963	493
(b) Financial Assets			
(i) Trade Receivables	1,085	1,098	730
(ii) Cash and cash equivalents	70	50	92
(iii) Bank Balances other	19	18	16
(iv) Loans	3	2	2
(v) Other Financial Assets	1	-	-
(c) Current Tax Assets (Net)	369	349	423
(d) Other Current Assets	696	908	392
<b>Total</b>	<b>6,197</b>	<b>7,088</b>	<b>5,783</b>



# Historical Standalone Income Statement



Particulars (INR Mn)	FY20	FY19	FY18
Revenue from Operations	5,001	5,244	3,456
Other Income#	115	595	142
<b>Total Revenue</b>	<b>5,116</b>	<b>5,839</b>	<b>3,598</b>
Total Expenses	4,347	4,921	3,115
<b>EBITDA</b>	<b>769</b>	<b>918</b>	<b>483</b>
<b>EBITDA Margin (%)</b>	<b>15%</b>	<b>16%</b>	<b>14%</b>
Depreciation	44	30	38
Finance Cost	67	66	34
<b>PBT</b>	<b>658</b>	<b>822</b>	<b>411</b>
Tax	168	303	106
PAT	490	519	305
<b>PAT Margins (%)</b>	<b>10%</b>	<b>9%</b>	<b>8%</b>
Other Comprehensive Income	(532)	(16)	136
<b>Total Comprehensive Income (After Tax)</b>	<b>(42)</b>	<b>503</b>	<b>441</b>
<b>Diluted EPS (INR)</b>	<b>28.16</b>	<b>29.80</b>	<b>17.51</b>

# 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.

# Historical Standalone Balance Sheet



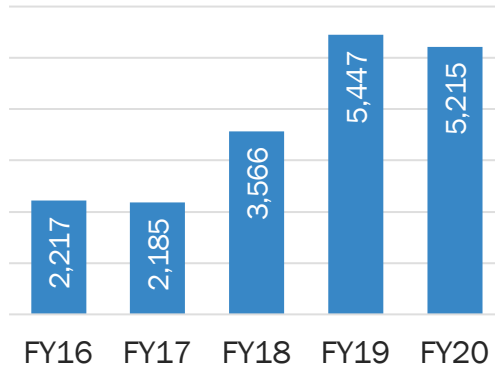
Equity and Liabilities (INR Mn)	FY20	FY19	FY18
<b>Shareholders Fund</b>			
(a) Equity Share Capital	174	174	174
(b) Other Equity	3,964	4,087	3,647
<b>Net worth</b>	<b>4,138</b>	<b>4,261</b>	<b>3,821</b>
<b>Non Current Liabilities</b>			
(a) Employee Benefit Obligations	29	25	21
(b) Deferred tax liabilities (Net)	451	557	456
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	63	608	129
(ii) Trade Payables	522	526	386
(iii) Other Financial Liabilities	221	411	347
(iv) Lease Liabilities	5		
(b) Other Current Liabilities	227	166	116
(c) Provisions	514	356	359
(d) Employee Benefit Obligation	21	8	7
<b>Total</b>	<b>6,191</b>	<b>6,918</b>	<b>5,642</b>

Assets (INR Mn)	FY20	FY19	FY18
<b>Non Current Fixed Assets</b>			
(a) Property, Plant and Equipment	2,052	2,056	1,881
(b) Right of use Asset	4		
(c) Investment Properties	23	24	24
(d) Intangible assets	110	69	61
(d) Investments in subsidiaries and Joint Venture	186	158	155
(e) Financial Assets			
(i) Investments	619	1,212	1,234
(ii) Loans and Deposits	44	46	34
(iii) Other Financial Assets	-	-	-
(g) Other Non Current Assets	23	15	112
<b>Current Assets</b>			
(a) Inventories	891	924	473
(b) Financial Assets			
(i) Trade Receivables	1,103	1,129	781
(ii) Cash and cash equivalents	33	15	64
(iii) Bank Balances other	19	18	16
(iv) Loans	13	13	5
(v) Other Financial Assets	1	1	1
(c) Current Tax Assets (Net)	354	336	414
(d) Other Current Assets	716	902	387
<b>Total</b>	<b>6,191</b>	<b>6,918</b>	<b>5,642</b>

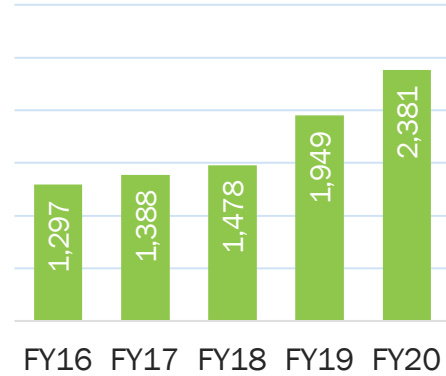
# Financial Charts (Consolidated)



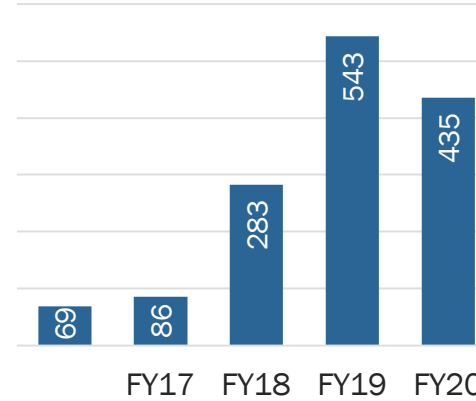
Revenue from Operations  
(Turnover) (INR Mn)



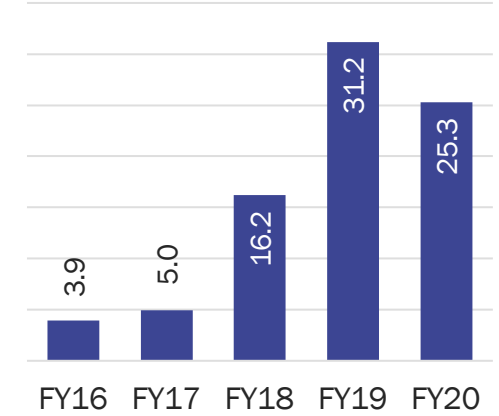
Music Licensing Revenue  
(INR Mn)



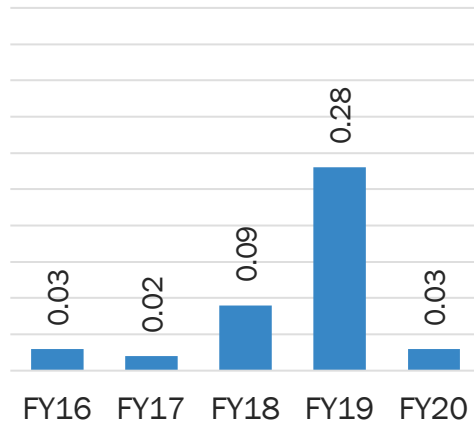
PAT (INR Mn)



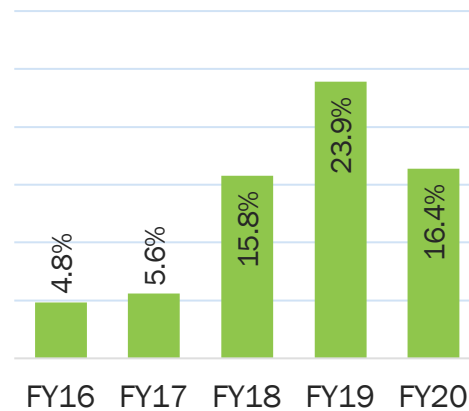
Diluted EPS (INR)



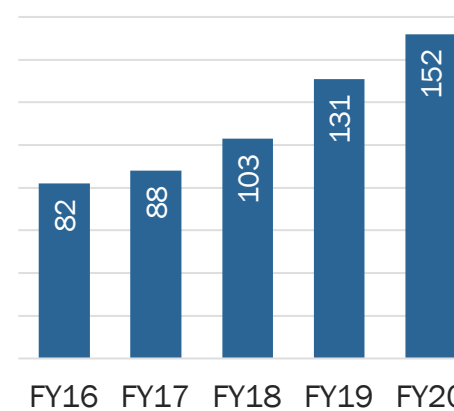
Debt to Equity Ratio



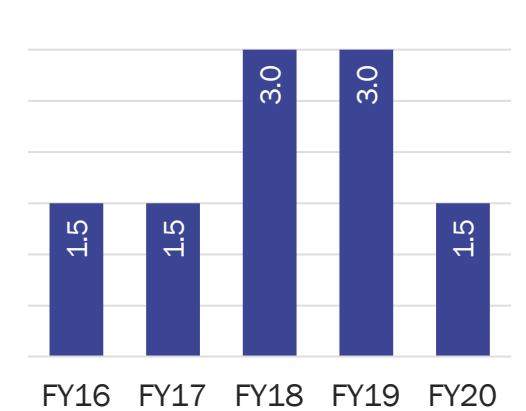
Return on Equity (ROE)  
(%)\*



Book Value Per Share  
(INR)



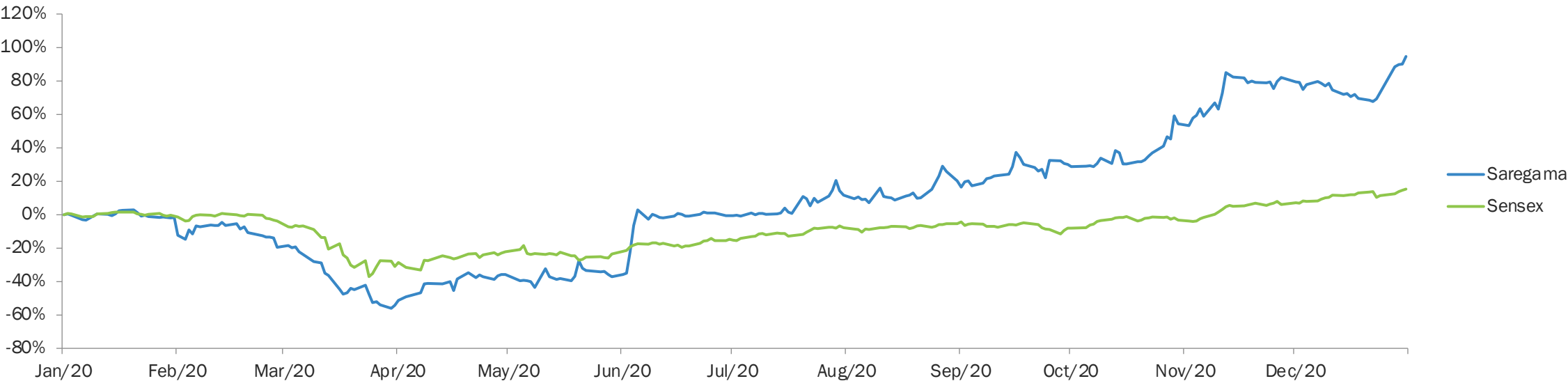
Dividend per Share  
(INR)



• ROE = PAT / Shareholders Equity

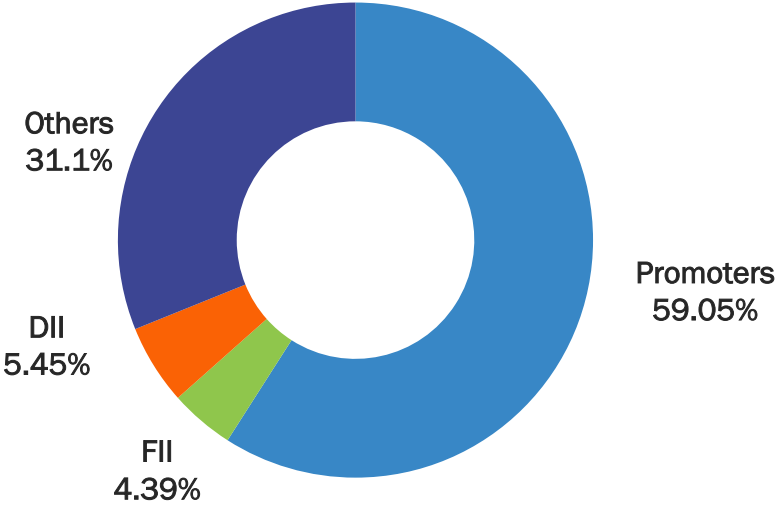
\* Shareholders Equity = Equity share capital and free reserves

# Capital Market Data



Price Data (As of 31 <sup>st</sup> December, 2020)		INR
Face Value		10.0
Market Price		834.4
52 Week H/L		840.0/185.0
Market Cap (INR Mn)		14,541.9
Equity Shares Outstanding (Mn)		17.4
1 Year Avg. Trading Volume ('000)		40.4

Shareholding Pattern as on 31<sup>st</sup> December 2020





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**“Saregama India Limited  
Q3 FY2021 Earnings Conference Call”**

**January 22, 2021**



**ANALYST: MR. BHUPENDRA TIWARI – ICICI SECURITIES LIMITED**

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



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*January 22, 2021*

**Moderator:** Ladies and gentlemen, good day and welcome to the Saregama India Limited Q3 FY2021 earning Conference Call hosted by ICICI Securities Limited. 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. Please note that this conference is being recorded. I now hand the conference over to Mr. Bhupendra Tiwari from ICICI Securities Limited. Thank you and over to you Sir!

**Bhupendra Tiwari:** Thank you Janice. Good afternoon everyone. On behalf of by ICICI Securities, we welcome you to the Q3 FY21 results Conference Call of Saregama India Limited on the 9 month we have Mr. Vikram Mehra who is Managing Director, Mr. Vineet Garg who is CFO and Mr. B. L. Chandak who is an Executive Director., we will begin with opening comment by the management followed by the presentation. Over to you Vikram!

**Vikram Mehra:** Thank you. Very good afternoon to all of you people. Last nine months have seen COVID hit our country very hard, but the good news is we are slowly coming out of it. Most industries are now showing growth and I am genuinely hoping that our story should be like our cricket team’s story. We were beaten very, very badly in the first test match, and the first quarter of the financial year, but just like the cricket team hopefully we will all come out as winner in the end because most companies have become leaner and more efficient to fight the COVID crisis. I genuinely believe that Economy we will come out stronger eventually.

As I have been maintaining in all my quarterly calls India’s primary story is the digitization story. India has 1.3 billion people with the second largest smartphone population in the world. It also has the cheapest data that we can find anywhere. When combined with the weak out-of-home entertainment infrastructure compared to the developed countries, it creates the perfect recipe for people to consume more and more of entertainment, and edutainment, all sitting in the comfort of their homes. This consumption-from-home phenomenon has further accelerated during the COVID time.

You are now seeing more and more people consuming content on their smartphones or tablets, at the time of their choice and the content of their choice. With the biggest IP catalogue in India including Music IP across languages, Films and Television serials; all fully digitized with rich meta data sitting behind it; with a robust in-house data engine allowing us to run data analytics on the performance of every song on every platform,



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Saregama is in a very good position to take advantage of the fast moving digitalization phenomenon in and outside India.

Rs. 41 crores PBT for Q3. this number was only 14 crore same quarter last year. On a 9month basis PBT crossed Rs 100 crores marks, it is Rs actually Rs 101.63 Crores. The PBT for the entire FY20 was 60cr. Last year is not a good benchmark because Q4 performance suffered badly due to COVID. In response, we had tightened up our all cost heads brutally. We found newer ways to put content out and from Q1 onwards our performance started improving, especially in terms of bottom-line.

Our focus on cash management has continued for the last 3 quarters. A combination of improved collections from all our partners and reduction in expenses. Also, we need to note that one our biggest expenses always remains content cost, primarily music of new films. Since there were no films released in the last 9 months that entire expense has got postponed to either the Q4 of this financial year or most likely the next financial year.

We had a small debt last year, We are not only debt free now, but also have a cash surplus of close to 150 Crores. We plan to use the same to fund our new content acquisition in future. This is something that we as a management team are extremely proud of.

Let us get into the little more detail about our results in this financial year. The primary driver for the 24% growth in this quarter compared to the previous quarter is coming from higher Carvaan sales compared to the previous quarter and much higher revenue from the TV and the film segment. Both these segments took a beating in the first two quarters on account of Covid, but are now slowly recovering and contributing to both topline and bottomline.

Let me get into the music segment. 18 months back we announced that we will invest heavily in new music. Why were we doing it... because we understand that the younger age segment listens to newer music more than the older music, and more importantly, we wanted to keep this company relevant 30 years down the line also. So that people who are 18-year-old today, when they become 40-45 yrs old, they still find the music of Saregama relatable. Unfortunately COVID happened and put all our plans in cold storage because no film releases could happen during this time. Although we had blocked and bought the music of some of the films, the release of these film got pushed by an year. This has resulted into much lower content cost and a much lower marketing cost this year.



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Is this sustainable? No. As the management team we strongly recommended that this is not a sustainable phenomenon. What we have shown with this year's growth is that how efficient our system is.... With no content cost coming in, the system can be strongly profitable in the short run. We will try to maintain profitability and keep on investing in new content too. So you will see us spending more and more on content and the marketing costs for the content in the next 12 to 15 months.

As film production starts, we will start acquiring large amount of Bollywood films music. We are currently invested in four big Bollywood films and eight Tamil films. We are in very advanced stages to close deals for some other large Bollywood films music. Another track we have been maintaining all throughout, is that in music segment, the large growth may come not only from Bollywood, but from regional content too. That is the trend we have seen across all digital consumption in India. Even in television & digital video content, we are seeing large amount of growth happening in regional languages. We also have been investing heavy in Tamil, Bhojpuri, Gujarati, and Punjabi music over the last 12 months. Within a span of 8 months, we have become one of the leading Bhojpuri music players, with every A-list singer releasing his/her songs with us. Same is the situation in Gujarati. All the A list singers are now working with Saregama, some of them in fact on an exclusive basis.

We launched our Bhojpuri YouTube channel in February 2020 and then Covid happened. Still we managed to grow the channel. It has clocked 300Mn views in 9 months period. We are very happy with the way our regional catalogue is shaping up.

Our biggest revenue driver continues to be digital licensing of music, which is growing steadily, in sync with the way digital consumption is going up in our country. So whether it is music streaming applications, whether it is Gaana or Airtel Wynk or Spotify or Apple or Google, all of them are streaming our music... the short video apps like Sharechat, Moj, Instagram Reels etc., all of them are using our music in their user videos. Lot of newer shows which are getting released on Netflix or Amazon and Hotstar are incorporating our music.

In fact, two of the big movies released in the last quarter used our songs. One was Ludo, which got released on Netflix had our song. Then another movie got released right on Zee5 called Khaali Peeli, which also was using Saregama songs. So these are older songs of ours which get incorporated in the movies and we end up getting license fees.





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In this quarter, brands like Google, Lux, Dabur Chyawanprash and KitKat used Saregama songs in their ads. Our sound-recording or our lyrics were used in their ads. What is it all resulting into.... A steady growth in our revenues!

It's a combination of the industry growth and increase in our market share.

While industry growth contributes 11-12%, another 10% growth comes from increase in our market share: a combination of increasing popularity of retro music and our investment in newer content. You may ask, how can we suddenly claim that retro music is becoming popular? Check out TV serials today; check out latest digital series on Netflix or Hostar or MX Player ... you will find retro music being included everywhere. I will give a lot of credit to our own team and also to the changing taste of our country, but the biggest credit we always give to this product called Carvaan. Carvaan has suddenly made retro music fashionable, cool in our country.

Let me give you an example of the new film Ludo. The song O Babu Ji, which was done very well in Ludo, was originally picturized in the movie Albela on Bhagwan Dada. Many of the younger people would not even know about Bhagwan Dada. They got introduced to this really old song through Ludo, and now they love it. To validate the song's popularity, you need to check the short format apps like Instagram, Josh, Triller, Noj etc. You will find hordes of younger people uploading their video using O Babuji song. So overall retro is becoming popular and Carvaan has played a big role in making retro so much cooler.

What are we doing on Carvaan? During this quarter the Carvaan sales finally started showing the upward trend. We sold 15k units in Q1, 81k units in Q2 and 138k is the number that we ended up selling in Q3. yes our numbers are lower than the numbers last year and we are not running away from it. But please keep in mind that it is showing a steady increase inspite of minimal marketing spends. Also, though retail networks have opened the footfalls at the shops are still very low. People are still very wary going to shops for buying white goods. In view of all that, the fact that we sold 138,000 numbers in the October to December timeframe gives us a lot of hope and confidence about the future of Carvaan.

I will again maintain this part very firmly, that the roadmap for Carvaan for the next couple of quarters is, we will keep controlling our expenses. We are relying only on natural customer pull, and not on generating demand through large marketing campaigns. Till the time as a team we are not fully comfortable that the markets have become completely ok, the problems of COVID have completely gone away, which at least 6 or 9 months away, we



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will not be spending marketing monies behind Carvaan. We will rely only and only on consumer demand, but the great part is that demand is picking up.

During this quarter, we launched two of our Carvaan variants. One is Carvaan Mini Kids, targeted at young kids, in the age-group of 3 to 10 yrs. It has got Nursery Rhymes in English and Hindi, stories for children in English and Hindi and the mantras including Gayatri and Maha Mritunjay mantras etc. This product has met with great success. We are seeing a lot of traction despite zero marketing from our side. There are parents who are very wary of their children sitting at home and constantly being glued onto TV screens or mobile screens, they are finding this product handy.

The product is especially very close to our heart as it was conceptualized, developed, manufactured and launched during the lockdown. It's a testament of the speed at which we at Saregama can turn around projects.

The second product we launched during this time was Carvaan Karaoke. Like in the past, we launched this new product with minimal volumes to test the customer reactions. It has been priced at Rs.20000. The initial feedback has been very, very positive. What it is also doing, is keeping the brand Carvaan alive in the market without spending any money on the marketing side. Something I said last time also... we believe that full vaccine rollout is still a few months away... till then elderly will continue being super cautious and stay at home. This creates a great market opportunity for Carvaan.

Our attempt to move Carvaan from a one-time margin product to an ongoing revenue based platform is on. We are pushing more and more of Carvaan 2.0, which supports WiFi base return path, allowing us to push new content to Carvaan on the fly. This content can be Bhagvad Gita on-demand or parenting sessions or whisky appreciation classes. We are launching podcasts around a variety of topics, allowing us to talk to every member of the family. All this content is acquired on variable basis, without any upfront costs. As and when we make advertising revenue, we will share it with the content owner. Over the next 18 to 24 months, we believe that the population of Carvaans with return path will be large enough for us to launch the advertising business.

After the lockdown restrictions were removed sometime in June-July timeframe, we were the first production house to start shooting. Both on the television side where we are making TV serials for Sun TV as well as on the Film side.



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Let me talk about the film business. In the month of July, we got an approval for a film called Comedy Couple and we immediately started the shoot. The film was ready in October and released on Zee5. This is the speed at which things move in Saregama at this moment. From the time the script is conceptualized to getting a greenlight from our partners to completion of production, postproduction and release, it took just three to three and a half months. We have also completed the shoot of a Marathi film Zombivli. Its postproduction is currently going on. We are bullish on the film, and plan to release it in theatres once theatres open up fully.

When COVID happened one of our serial Roja was faring at the number 1 position across India on Tamil channels in terms of TRP. Our fear was that with no shoots happening during the lockdown, we will lose our number 1 position. It was unfounded because the movement the new episode started going up, we were back into the number 1 position. Roja and the second serial Chandralekha are not only licensed to Sun TV, but are also released by Saregama on its Youtube and facebook channels. This is the advantage of IP ownership. Once you have IP, you can not only monetize it on its first medium, but there are multiple other ways, in which you can keep on monetizing IP. I have informed you guys in my last quarterly call that for some of our Tamil serials, the Telugu dubbing rights have been licensed out. Some customers even want Telugu remake rights of these serials.

We were also given the mandate to launch third program of ours on Sun TV during the Q3. Once again our program was conceptualized during lockdown, pitched during lockdown, received a go ahead from Sun TV during the lockdown and got launched during this quarter. The program is called Anbe Vaa. The program has clocking 7 plus ratings in terms of TRPs.

The Q1 and Q2 had seen losses in the films and television segment primarily on account of the fact that we were not able to shoot anything during the first 4 months of the year. Since we were not able to put anything up on the television channel, we could not generate the revenues. Now that shooting has started, the films and television segment back in the positive side.

Overall, if I sum it up, all the four verticals of the company seem to be faring reasonably strong. All four of them are strong enough to take care of their own funding requirements. Music segment is doing very, very good and as digitalization keeps on increasing, we believe revenue possibility from the music segment will keep going up. Music IP business is a long-term sustained revenue generating business along with capital appreciation. The recent spate of deals in the American and European markets are a proof the same. All the



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global companies' valuation is going up a lot right now because IP is getting more valuable: with digitalization more and more people are finding legitimate way to consume music, and paying for the same. So we see a very bullish trend on the music front. Carvaan, we will continue with the current trend of controlling costs. Carvaan will not be a loss maker. Carvaan will break even at the worst or turn a very marginal profit, but right now our belief is that Carvaan will at least do a breakeven till the time COVID-19 issue is not completed wiped out. Films and television will remain on the positive side only.

That is all we will open into Q&A please.

**Moderator:**

Thank you very much. Ladies and Gentlemen we will now begin the question and answer session. The first question is from the line of Dhwanil Desai from Turtle Capital. Please go ahead.

**Dhwanil Desai:**

Good afternoon and congratulations for fantastic set of numbers. Three questions, the first one is you know you have been talking about that we are acquiring new theme music because the production is happening and we did not have enough see through in the past three quarter, but any number that you can you know put in terms of the total budget that you are allocating for that position in the next 12-15 months that will be good?

**Vikram Mehra:**

My problem is that movement, if my numbers go out as to what budget we are looking out, our negotiation power with the film producers go for a toss. Once we realize that we are sitting on these kinds of budgets, it will become little difficult to negotiate, but what I can tell you is that a commitment we have been making for the last two years on the music side. We will spend only the money that the music segment is generating. We are a debt free company; we will remain debts free company. Other way I can answer your question is that we are looking at acquiring at least 20% of the newer contents in terms of cost and in terms of the number of songs that will released, is the aim, we have going for over next 12 months.

**Dhwanil Desai:**

Second question Vikram is on Carvaan. I think you know we started with one variant and then we went into the second variant and then multiple variants. I think I do not have a count at the top of my head, but you know must be having investments in Carvaan. My question is that you know, it is good to see that we are trying to address so many different sections of society, but even that in one sense stretching our bandwidth in terms of scaling up a very focused segment to the next level if you can share your thoughts on that.



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**Vikram Mehra:** I cannot disagree with you because remember for as a company what is the effort? The effort was putting at the first Carvaan. For further Carvaan as we are the owner of the music, all we need to do is due to replace Hindi music by Tamil Music and replace Tamil Music by Punjabi Music or Punjabi Music by Bengali Music or Bengali Music by Marathi Music and then new variant comes out. Similarly, if you got over Carvaan Mini, the content is all sitting out there. It is the very similar concept to what CDs used to be there or cassettes used to be there at one time. You get first Carvaan done after that what music are you putting on it is not such a complicated job and we are realizing that if we are selling in Tamil Nadu makes much more sense to put a music, which is connected to what Tamilians are going to relate to rather than trying to sell Hindi music there. So, our incremental efforts are not very high. I want to give you that comfort here. Also, the way these structures of Carvaan is done, it is very easy for us that if a particular one language Carvaan not moving for us to change it to other language and to pick it in the other market is a very easy job. So we never get stuck with SKUs that are not moving.

**Dhwanil Desai:** Okay and how about marketing because you must have to allocate separate marketing measures for different variants. So will it stretch it?

**Vikram Mehra:** We can specifically this year we have not done any marketing. Earlier also we used to market only the mother brand. Like Carvaan Mini, we have never marketed. We market only the big flagship Carvaan Hindi and everything else were moving right now. Obviously, people come back and say Carvaan Hindi is there anything in our language and there is a product that is sitting there. We do not do individual level variant marketing. It is always the mother brand, which is marketed, when it was being marketed.

**Dhwanil Desai:** Last one from my side, so you know if I am looking at the platforms like Spotify, they have kind of they started their music companies positioning in terms of earlier streaming companies are acquiring podcasts you know, to ensure that content on that platform is very diverse. Now one streaming company see that you know your customer, or your listener had limited time, so I look them which is available for the listening. You know are we inching in terms of repositioning ourselves acquiring more podcasts or doing syndication for Indian music or getting into international music. How do we think about you know and was expanding our horizon on this?

**Vikram Mehra:** It is a very fair question. We recognize the fact that we will not be able to continue for next 20 years, fighting for customer's attention on streaming app platform only through retro music. That is why this large focus that we need to build our catalogue with the music, which talks to today's generation. An 18-year-old or 23-year-old the kind of music may





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listen to we should also produce that music. That is where investment is on film music. We are doing a lot of Hindi music, you will call independent. We call it the Hindi original music. There are similarly lot of independent original music in Bhojpuri, Gujarati, Punjabi, Tamil and now Telugu. There are large investments going in, but as the company, there are boundaries they are growing. We are not getting into international music. We have gone to play to our strengths rather than to our weakness. International music consumption is very little in India. It is still primarily Indian music that does much better. We have a 1.3 billion population to play on with. This is our strength because we are sitting on the largest catalogue of this music. It makes sense to strengthen our strength because nobody else can challenge us there. Are we investing in podcast? Yes, we currently have started broadcast on Carvaan. We are currently sitting on 289 podcasts that we people are creating. That is an area we are seriously looking at. Obviously, the focus is more on music-based podcasts, but we are looking at other podcasts too.

**Dhwanil Desai:**

Okay. Thanks Vikram. Very helpful and all the best.

**Moderator:**

Thank you. The next question is from the line of Ankit from Bamboo Capital. Please go ahead.

**Ankit:**

Thanks for the opportunity Vikram and team and congratulations for your good set of members. Vikram on the Carvaan part if you can explain we are seeing pretty good traction in the sales number this quarter and as you have been highlighting the sales has been without any significant marketing expense. So how do you see that sales panning out over the next two quarters given the quarter-on-quarter that we have seen over the past three quarters and also if you can tell us how has been the online sales of the proportion since a lot of shift has happened in the buying pattern of people post COVID. So how has that channel picked up in our strategy for that channel going forward?

**Vikram Mehra:**

Let me answer the last part first. Yes, the share on digital sales has gone up for us also substantially. More and more people are buying online and remember a digital sale for a company like ours must be looked in two ways. One, what is Saregama selling on digital. We sell through Amazon, we sell through Flipkart, we sell through PayTM, there are 11 different partners through, which we are selling, and we are selling from saregama.com. That number is completely on top of it, but a small retailer got a shop maybe in Amritsar. That retailer of mine, I have given it to him to sell it, right now from shop. He may also be selling digitally, but if I combine his numbers also to it, which I will not come to know directly, then the sale of digital is very, very high. Obviously, digital lends us also do lot of creative work, because you can do lot of work on the social media to promote your product,



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talking to the digital audience without incurring high expense of TV advertising or newspaper advertising. So a lot of focus from our side is moving on promoting these products digitally and selling them also digitally. You asked me what is the projection we have for Carvaan going forward? With so much of uncertainty that are sitting in. All I am going to go back and commit to you is Carvaan will be a breakeven product. I am not going to project Carvaan is going to be making money in the next three to six months. Carvaan will be a breakeven or a very, very marginal profit number. Are we happy with the 138000 number? No. We people are used to do 250,000, 260,000 per quarter number, we are not at all happy with 138000 number, but to increase the number is very tempting to start doing marketing campaigns to generate demand, create awareness. We do not want to do that at this stage.

**Ankit:** Any number at which you will start generating profits on this in Carvaan?

**Vikram Mehra:** Carvaan for the first two years also made profit. Carvaan has incurred a loss only in the year three because of the Q4 fiasco. Carvaan always generated profits. Out of the three years, Carvaan has been existent of first year and the second year was the profit-making year, and I see no reason right now going forward why it will be any different.

**Ankit:** Secondly on budget for new music acquisition, since FY2020 we have not seen anything on new music, significantly on new music acquisition and we had a budget of let us say 200 Crores to be spent over FY2022. So we are still sticking to that budget or will there be any increase or decrease in that?

**Vikram Mehra:** Principally we are sticking to that budget and lot is going to be in the hands of which way the market opens. We are still with the fingers crossed and seeing when will theatres genuinely open. They opened in Tamil Nadu to full occupancy with this latest film called Master that has got released. We have seen when Hindi theatres open in the Hindi heartland with full occupancy because that is a time big film producers will start releasing the films. Only then we will get music in our hands. So our intent is there very clearly to grab at least 20% of the new music and we enter the next financial year without intent. Hopefully, with films getting released we will be able to fulfill that intent. Nothing has changed.

**Ankit:** Last question from my side on the Yoodlee if you can tell us how that business is shaping up for next year, how many tie-ups that we are planning any further details on that Yoodlee.

**Vikram Mehra:** Only I can tell you on Yoodlee, year one was the loss-making proposition. Year two was a breakeven year, year three of marginal profit. Yoodlee is now in a consistent fashion is



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going to remain profitable only initial years because we had no reputation in the market when we were going to licensing our films. There was a pressure building up on us. Negotiation proposition was not in our favor. With our films trending on Netflix, film after film has performed very, very well on the platforms. Our ability to get the right price for the quality content that we are producing is getting established, which is helping the margins of this business. Also remember as we people go forward, the first round of films that are licensed, the ones that were licensed for three years or four years, which have been fully written off in our books now. I want to come back and fresh licensing is going to be happening. All that will start adding up. We are projecting right now anything between 14% to 16% topline growth on Yoodlee part of the business year-on-year.

**Ankit:** Sir, basically both topline and margins should increase primarily because of introducing bargaining power as well as know the new licenses renewed for the old movies that we have?

**Vikram Mehra:** Other parts I missed this time that you will see in next financial year we people also getting into the world of series rather than limiting ourselves only in films, all digital. We are getting into Hindi TV serials. This is bigger than launch one big film, can you do a big series, which six episodes and each of the episode literally turn into a film.

**Ankit:** Sir any success for not getting some licensing over there?

**Vikram Mehra:** We will announce it at the right time. We are very hopeful.

**Ankit:** Thank you so much.

**Moderator:** Thank you. The next question from the line of Manvardhan Baid from Laurel Investment. Please go ahead.

**Manvardhan Baid:** Good evening. Thank you for the opportunity. Congratulation on great set of numbers. I missed the earlier part of the call, so this might have be addressed then, but still just to so I just wanted your views on the judgement that came in from the IPaT and since that is an issue that we have been pursuing for a while may be if you could set some light on that?

**Vikram Mehra:** All I am in liberty to say that radio used to pay us basis 2% of the topline. That is the payment that used to happen to the music industry. IPaT has come with judgement here about what the radio have been paying and at what rate it will be paying. There is already



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some litigation from radio side. So, I think at this juncture too early to say which way it is going go back and move. I cannot comment beyond that because it is speeding forth.

**Manvardhan Baid:** Are we going to get paid on the new sort of rates that have been announced? Are we still getting paid by the radio companies on the older or have we negotiated?

**Vikram Mehra:** The judgement came out the last day of the previous calendar year. In the last few days, it has just been more of legal cases being filed by various parties, not Saregama, but the various parties. So, there is still lack of clarity there as to what rate it is going to the applicable and for what are rights will radio be paying. All I can tell you right now the numbers if anything will be better and not worse than what we were getting paid earlier.

**Manvardhan Baid:** Okay and approximately by how much better?

**Vikram Mehra:** I will not be able to comment on that at this moment.

**Manvardhan Baid:** One more sort of question that I had in mind and this is the post listening to your commentary only that since we are assuming that a 20 year self-life of the music that we have and given the pace of content addition, do you think even 20 years hence we have enough content to cater to audience that we intent to cater to?

**Vikram Mehra:** Why do you think we will not? Sorry I am not able to understand your assumption basis which you are posing this question.

**Manvardhan Baid:** Sitting on 130000 songs right now my sense is that we are not adding more than about 2000, 3000 a year anymore?

**Vikram Mehra:** We do not know how many songs get released. So, let us talk only of Bollywood for a moment. You are talking of 200 big films coming in an year. I will give a stretch it to B and C category also, let us make it 500 films to 750 films in an year. 750 films even with four song in each film makes only 3000 songs. That is all that is coming out in a year from the Bollywood side. Rest of the songs will be on the original side. If you are saying right now that is there a gap, which is sitting in Saregama catalogue, for the last decade, I am not running from that fact. Yes, there is a gap, only on the Hindi film side. We never stopped investing in Tamil side or the other regional languages. Only thing, we were not investing in Bollywood music over the last decade... that gap is there. We are just ensuring that gap is not going to be there any longer. Going forward we will be a substantial player in all the



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new music that gets released in the country and with our financial results, we have the wherewithal to do it.

**Manvardhan Baid:** For these new movies that we are acquiring we still are expecting ROEs more than 30%, 35%?

**Vikram Mehra:** I will put it the other way. We are working on a payback period of five years for all the music content that we will be creating or investing. Remember the shelf life of songs in terms of rights is 60 years. For Saregama, the music that we acquired in 70s and 80s is still generating substantial amount of revenue for the company.

**Manvardhan Baid:** Thank you Sir. Best of luck for the future.

**Moderator:** Thank you. The next question is from the line of Hardik Jain from Whitestone Financial Advisors. Please go ahead.

**Hardik Jain:** Good evening Sir. Congratulations for a great result. Sir, just adding on the previous speaker's question if I am correct, a large part of our library has a shelf life of say 20 years now. So I think the previous speaker who was trying to ask this and even I want to ask this that even if we want to say gather 20% of market share of the song, so in the next 10 or 20 years, we will get gathering around 10000 to 12000 songs and whereas major part of our existing library will come towards the end of the license period so the licence library will the number of songs will shrink at the end of the 20 years?

**Vikram Mehra:** It will not. First remember around 33% or 34% of Saregama's catalogue belongs to the 21st century, and not with the 20<sup>th</sup> century. That is one doubt I want to clarify. I do not know what you mean by shelf life for 20 year.

**Hardik Jain:** Sir my understanding is that whatever life that we acquire the license we can charge, or we can generate the revenue from that for 60 years from the day we purchase the license. Is my understanding right first?

**Vikram Mehra:** There are two rights. One is called a master recording, which has a life of 60 years from the time the song was released, other is called publishing rights 60 years from the death of the person who wrote the song or composed the song. These are two rights that we people monetize. These are the rights we get when we buy the music of a film.

**Hardik Jain:** So you can use the lyrics and may be redo the song.





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- Vikram Mehra:** Yes, absolutely.
- Hardik Jain:** Sir how much money do have any budget in mind, how much money we want to spend on new content acquisition?
- Vikram Mehra:** I answered this question I think last to last speaker also. Our aim is that minimum 20% share of the new content getting created in India in this year, should be belonging to us.
- Hardik Jain:** Sir, we spent around 78 Crores last year on advertising in nine months, which was only 25 Crores this year nine months so is there any amount that we have in mind how much we want to spend in advertising?
- Vikram Mehra:** When you look at advertising, there are 4 marketing expenses which are covered under the word advertising. The first is the advertising done for Carvaan; the second is the marketing spends on the new music. When we acquire music of a new film, as part of the commercial arrangement with the film producer, we make a commitment of marketing spends towards promoting the songs. For example we have recently acquired music of a movie called “Bell Bottom,” which will belong to Akshay Kumar. As part of the deal, we will pay some amount of money to the producer that we book as content cost and we must guarantee an “x” amount of money to market the music : that is sitting under marketing. So as less content gets released there is no corresponding marketing also getting spent. Third is some amount of marketing that we do for promoting retro content, somebody’s birthday, somebody’s anniversary just to ensure that the retro stars and their music remains top of minds for people. Fourth is every time we are releasing a Yoodlee film of ours, even if it is going straight to a digital platform, we still do some amount of publicity.
- Hardik Jain:** Thank you. Last question Sir. This content cost whatever we spend on acquisition, it will be like written off in the P&L or we capitalize it?
- Vikram Mehra:** We people are amortizing it over six years on the music, the marketing cost of music gets written off in P&L. The content cost gets amortized over six years. Overall, if I combine on a rough basis, let us say if we spend Rs.100 on acquiring a film music chances are Rs.80, Rs.85 will be content, Rs.15, Rs.20 will be marketing. Marketing is written off immediately, content cost gets amortized over six years. Overall, 48% is getting written off in year one.
- Hardik Jain:** Thanks a lot. Thank you Sir.



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- Moderator:** Thank you. The next question is from the line of Jigar Vyas from Vyas Ventures. Please go ahead.
- Jigar Vyas:** Good evening Sir. Congratulations on excellent numbers and I think you have been doing well in all the aspects of the business. Just wanted to know the number on the growth of music licensing revenue for this quarter and what will be the guidance for this year?
- Vikram Mehra:** We will give you the licensing revenue declared on an annual basis and not declaring on a quarterly basis.
- Jigar Vyas:** I just want the growth number year-on-year?
- Vikram Mehra:** We people have been projecting this year will be 18%-20% though it looks like we may beat that, in general music licensing or licensing anything between 20%-25%.
- Jigar Vyas:** Thank you very much.
- Moderator:** Thank you. The next question is from the line of Ravi Naredi from Naredi Investment. Please go ahead.
- Ravi Naredi:** Mr. Vikram Ji you all done magic this year this three quarters. We were looking for this result since last three years and you all have done it. Sir, why you made the joining of this concall and AGM, it makes difficult for retail investor?
- Vikram Mehra:** It is online and available for all.
- Ravi Naredi:** So many hurdles are there, so many things are having to be gone through. I could not attend last your concall and last AGM because hurdles are there so why you are making such things complicated?
- Vikram Mehra:** Ravi Ji that is not the intent. We are in online right now. Sir do me a favor Sir, Vineet who is our CFO, if you can just drop in a mail to him, explain to him what complications you are facing. So that next time onwards we will take care of everything.
- Ravi Naredi:** I personally came to attend the AGM in Kolkata two times and this time you have made so complicated, who is the CFO, you ask him to make this AGM for the retail investors.
- Vikram Mehra:** That is the intent Sir. When the story is good, why should we hide it.



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- Ravi Naredi:** Definitely, I knew because I am a shareholder in your company since last many years and I am watching this, Vikram is so fantastic person but I do not think why you make it so complicated?
- Vikram Mehra:** We will take care of it. My apology if that is happening. I will ensure right now Vineet and you talk, and we will resolve all the issues.
- Ravi Naredi:** Definitely. My all questions have been answered. So I am not asking any questions. Thank you very much.
- Vikram Mehra:** Thank you, Ravi Ji.
- Moderator:** Thank you. The next question is from the line of Dhwanil Desai from Turtle Capital, please go ahead.
- Dhwanil Desai:** Vikram just one clarification so on this IPaT order there is one press release from one of the leading radio station who is having 30%-35% market share and their royalty cost will be lesser by 5 Crores to 5.5 Crores while you are saying that if anything that will be better, so there seems some contradiction, so is it largely because they may be acquiring the music less content is that the logical explanation for this?
- Vikram Mehra:** I am unfortunately not able to answer your question. All I can tell you is that in today's revenues, the contribution from radio is insignificant. Till the time, courts do not clarify the final position, it will be difficult for me to comment on it. I understand which station you are talking about and I also have a feeling why they are telling you their costs are going to come down. I will not like to talk about that in a public forum. All I can give you is the comfort that for Saregama radio revenue today is insignificant. Any delta of 20% here 30% up down is hardly going to make a difference.
- Dhwanil Desai:** Thanks Vikram.
- Moderator:** Thank you, the next question is from the line of Ashwin from Samatva Investments, please go ahead.
- Ashwin:** Thank you for the opportunity. Congrats on very strong numbers. I just have one question on the royalty expenses. If you compare last year numbers to this year numbers the streaming revenue have gone up and the royalty expenses has been coming down, so how should we understand the expense is going ahead?



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- Vikram Mehra:** I am not clear about your question. Can you go a little slow and ask again please?
- Ashwin:** While in the last one year, topline has grown and the streaming revenues have increased, the royalty expense has come down in absolute terms. The royalty expenses so how should we think about the royalty expense going ahead?
- Vikram Mehra:** The content cost is also sitting in Royalty. If you are not buying new content, this year we hardly bought any content. That is the point that other speakers that asked me. This year is a combination of we people doing very good on efficiencies, but also postponing all our expenses because there were no music getting released. Hence you see the royalty what is sitting on the royalty low. That number will go up. We are investing in new content. The intent is very, very clear. We want to invest in new content aggressively.
- Ashwin:** Thank you so much.
- Moderator:** Thank you. Ladies and gentlemen that was the last question for the day. I would now like to hand over the conference back to the management for their closing comments.
- Vikram Mehra:** Thank you everyone. We at Saregama have a dual focus: increasing the efficiency of the system and investing in newer content. Increasing efficiency is all about ensuring that we can monetize what we own better and at a lower cost structure. I think we have been doing a decent job and this year's performance is in a way a testament to the fact that our systems and processes are strong and are not individual dependent any longer. The profitability growth by improving the spread of our licensing and reducing our costs has been the great story for us in the financial year 2021 and hopefully will continue in Q4 also. But the second part is an equally important part, which we have not done because of COVID, which is to invest enough in newer content; thus helping the company not only increase its revenue in a multifold fashion but also prepare itself for the next 30 years also. This year unfortunately or fortunately, the efficiency gave us benefits; the investments did not happen, so the numbers are looking very, very good. Going forward what we assure you that the efficiency part is going to remain as robust. This is not a one off thing. We are maintaining our guidance on music licensing growing upwards of 20%. Carvaan will remain at a breakeven number, if not positive, as we go forward, but we will continue with the cautious approach on Carvaan. The Films business will be growing at anything between 14% and 17% year-on-year. Hopefully, future is going to be even brighter than this. Thanks a lot. Bye-bye.



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**Moderator:**

Thank you. On behalf of ICICI Securities we conclude today's conference call. Thank you for joining us. You may now disconnect your lines.