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 Standalone Financial Results for the Three Months and Year Ended 31 March 2020

SL. No.	Particulars	**3 Months ended 31 March 2020**	3 Months ended 31 December 2019	3 Months ended 31 March 2019	**Year ended 31 March 2020**	Year ended 31 March 2019
		(Audited)	(Unaudited)	(Audited)	**(Audited)**	(Audited)
		Refer Note 4		Refer Note 4		
1	**Income**					
	(a) Revenue from operations	**10,545**	12,365	12,403	**50,011**	52,437
	(b) Other income	**274**	265	1,184	**1,149**	5,954
	Total Income	**10,819**	12,630	13,587	**51,160**	58,391
2	**Expenses**					
	(a) Contract manufacturing charges	**970**	2,230	3,547	**9,979**	21,481
	(b) Cost of production of films and television serials	**895**	1,236	1,384	**5,408**	4,883
	(c) Changes in inventories of finished goods and work-in-progress [(increase) /decrease]	**212**	290	(1,261)	**337**	(4,520)
	(d) Employee benefits expense	**1,211**	1,723	1,159	**5,344**	4,406
	(e) Finance costs	**137**	143	188	**671**	655
	(f) Depreciation and amortisation expense	**112**	110	41	**445**	301
	(g) Advertisement and sales promotion	**1,052**	2,398	2,414	**9,417**	9,992
	(h) Royalty expense	**1,553**	1,604	1,459	**6,128**	5,598
	(i) Other expenses	**1,652**	1,639	2,070	**6,852**	7,368
	Total Expenses	**7,794**	11,373	11,001	**44,581**	50,164
3	**Profit before exceptional items and tax (1-2)**	**3,025**	1,257	2,586	**6,579**	8,227
4	**Exceptional Items**	**-**	-	-	**-**	-
5	**Profit before tax (3-4)**	**3,025**	1,257	2,586	**6,579**	8,227
6	**Tax Expense**					
	(a) Current Tax	**873**	373	269	**1,963**	2,129
	(b) Tax related to previous periods	**46**	-	-	**46**	-
	(c) Deferred Tax (net)	**(176)**	(39)	707	**(329)**	905
	Total tax expense	**743**	334	976	**1,680**	3,034
7	**Profit for the period (5-6)**	**2,282**	923	1,610	**4,899**	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	**(3,966)**	(345)	964	**(5,321)**	(166)
	Total Other Comprehensive Income	**(3,966)**	(345)	964	**(5,321)**	(166)
9	**Total comprehensive income for the period (7+8)**	**(1,684)**	578	2,574	**(422)**	5,027
10	Paid-up Equity Share Capital (Face Value of Rs.10/- each)	**1,743**	1,742	1,741	**1,743**	1,741
11	Other equity				**39,636**	40,873
12	Earnings Per Share (Face Value Rs 10/- each): #					
	(a) Basic (Rs.)	**13.23**	5.31	9.25	**28.20**	29.83
	(b) Diluted (Rs.)	**13.16**	5.31	9.24	**28.16**	29.80

#Figures for the three months are not annualised.

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(Rs in Lakhs)

Standalone Segment wise Revenue, Results, Assets and Liabilities for the Three Months and Year Ended 31 March 2020

SL. No.	Particulars	**3 Months ended 31 March 2020 (Audited) Refer Note 4**	3 Months ended 31 December 2019 (Unaudited)	3 Months ended 31 March 2019 (Audited) Refer Note 4	**Year ended 31 March 2020 (Audited)**	Year ended 31 March 2019 (Audited)
1	**Segment Revenue**					
	(a) Music	**8,900**	11,142	11,211	**42,986**	47,672
	(b) Films/Television serials	**1,645**	1,223	1,192	**7,025**	4,765
	Total segment revenue	**10,545**	12,365	12,403	**50,011**	52,437
	Less: Inter Segment Revenue	**-**	-	-	**-**	-
	Total Revenue from Operations	**10,545**	12,365	12,403	**50,011**	52,437
2	**Segment Results**					
	(a) Music	**2,887**	2,152	3,494	**8,496**	12,218
	(b) Films/Television serials	**405**	96	44	**915**	(32)
	Total	**3,292**	2,248	3,538	**9,411**	12,186
	Less:					
	(a) Finance costs	**137**	143	188	**671**	655
	(b) Other unallocable expenditure net of unallocable income	**130**	848	764	**2,161**	3,304
	Total Profit Before Tax	**3,025**	1,257	2,586	**6,579**	8,227
3	**Segment Assets**					
	(a) Music	**42,711**	41,235	44,865	**42,711**	44,865
	(b) Films/Television serials	**5,489**	6,492	5,340	**5,489**	5,340
	(c) Unallocated	**13,715**	18,305	18,974	**13,715**	18,974
	Total Segment Assets	**61,915**	66,032	69,179	**61,915**	69,179
4	**Segment Liabilities**					
	(a) Music	**13,696**	12,405	12,253	**13,696**	12,253
	(b) Films/Television serials	**827**	1,002	824	**827**	824
	(c) Unallocated	**6,013**	10,094	13,488	**6,013**	13,488
	Total Segment Liabilities	**20,536**	23,501	26,565	**20,536**	26,565

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(Rs in Lakhs)

Standalone Statement of Assets and Liabilities

SL. No.	Particulars	As at 31 March 2020 (Audited)	As at 31 March 2019 (Audited)
	ASSETS		
1	**Non-current assets**		
	(a) Property, plant and equipment	**20,523**	20,559
	(b) Right of use assets	**44**	-
	(c) Investment properties	**231**	236
	(d) Intangible assets	**1,103**	687
	(e) Investment in subsidiaries and joint venture	**1,865**	1,574
	(f) Financial assets		
	(i) Investments	**6,186**	12,124
	(ii) Loans and deposits	**438**	460
	(iii) Other financial assets*	**0**	0
	(g) Other non-current assets	**225**	154
	Total non-current assets	**30,615**	35,794
2	**Current assets**		
	(a) Inventories	**8,907**	9,244
	(b) Financial assets		
	(i) Trade receivables	**11,030**	11,296
	(ii) Cash and cash equivalents	**330**	145
	(iii) Bank balances other than (ii) above	**195**	179
	(iv) Loans	**133**	126
	(v) Other financial assets	**7**	9
	(c) Current tax assets (net)	**3,536**	3,364
	(d) Other current assets	**7,162**	9,022
	Total current assets	**31,300**	33,385
	TOTAL ASSETS	**61,915**	69,179
	EQUITY AND LIABILITIES		
1	**Equity**		
	(a) Equity share capital	**1,743**	1,741
	(b) Other equity	**39,636**	40,873
	Total Equity	**41,379**	42,614
	Liabilities		
2	**Non-current liabilities**		
	(a) Employee benefit obligations	**288**	246
	(b) Deferred tax liabilities (net)	**4,508**	5,574
	Total non-current liabilities	**4,796**	5,820
3	**Current liabilities**		
	(a) Financial liabilities		
	(i) Borrowings	**633**	6,081
	(ii) Trade payables		
	a) Total outstanding dues of micro enterprises and small enterprises	**2**	2
	b) small enterprises	**5,218**	5,253
	(iii) Lease liabilities	**47**	-
	(iv) Other financial liabilities	**2,210**	4,113
	(b) Other current liabilities	**2,274**	1,660
	(c) Provisions	**5,141**	3,555
	(d) Employee benefit obligations	**215**	81
	Total current liabilities	**15,740**	20,745
	Total liabilities	**20,536**	26,565
	TOTAL EQUITY AND LIABILITIES	**61,915**	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	**Year ended 31 March 2020 (Audited)**		Year ended 31 March 2019 (Audited)	
	Profit Before Tax		**6,579**		8,227
A.	**Cash Flow from Operating Activities**				
	Adjustments for:				
	Depreciation and amortisation expense	**445**		301	
	Allowance for expected credit loss	**442**		1,295	
	Finance costs	**671**		655	
	Liabilities/Provisions no longer required written back	**(319)**		(1,007)	
	Interest income	**(484)**		(1,391)	
	Share based payment expense	**22**		3	
	Bad debts/advances written off	**1**		22	
	Net gain on unrealised foreign currency transactions/ translation	**(86)**		-	
	Loss on disposal of Property, plant and equipment*	**2**		0	
	Profit on sale of Property, plant and equipment	**-**		(1)	
	Profit on sale of Investment in Mutual Fund*	**(0)**		(0)	
	Dividend income from equity investments designated at FVOCI	**(252)**		(221)	
			442		(344)
	Operating profit before Working Capital Changes		**7,021**		7,883
	Adjustments for:				
	(Increase)/Decrease in Other current assets, Loans, Other non-current assets	**1,919**		(5,230)	
	Increase in Other financial liabilities, Provisions, Other current liabilities	**1,004**		2,352	
	Increase in Trade payables	**34**		1,391	
	Increase in Employee benefit obligations	**82**		80	
	(Increase)/Decrease in Trade receivables	**240**		(3,042)	
	(Increase)/Decrease in Inventories	**337**		(4,520)	
			3,616		(8,969)
	Cash generated from / (used in) operations		**10,637**		(1,086)
	Income taxes paid (net of refund)		**(2,181)**		(1,219)
	Net cash generated from / (used in) Operating Activities (A)		**8,456**		(2,305)
B.	**Cash Flow from Investing Activities**				
	Purchase of Property, plant and equipment and intangible assets	**(823)**		(1,201)	
	Sale of Property, plant and equipment*	**(0)**		1	
	Interest received	**144**		816	
	Investment in Equity shares of subsidiary	**(290)**		(20)	
	Loan given to Subsidiary Companies	**(301)**		(1,790)	
	Investment in Mutual funds	**(150)**		(200)	
	Proceeds from sale of Investment in Mutual funds	**150**		200	
	Dividend income from equity investments designated at FVOCI	**252**		221	
	Fixed deposits placed with banks (with maturity more than 3 months)	**(12)**		-	
	Net cash used in Investing Activities (B)		**(1,030)**		(1,973)
C.	**Cash Flow from Financing Activities**				
	(Repayment of) / Proceeds from Short term borrowings	**(5,448)**		4,789	
	Proceeds form issue of shares	**2**		-	
	Share premium received on issue of shares	**20**		-	
	Purchase of Investment by Saregama Welfare Trust (Treasury Shares)	**(764)**		-	
	Dividend paid	**(523)**		(515)	
	Dividend distribution tax paid	**(107)**		(107)	
	Repayment of principal portion of lease liabilities	**(79)**		-	
	Interest paid on lease liabilities	**(9)**		-	
	Interest paid on others	**(333)**		(380)	
	Net cash generated from / (used in) Financing Activities (C)		**(7,241)**		3,787
	Net increase / (decrease) in cash and cash equivalents (A+B+C)		**185**		(491)
	Cash and Cash Equivalents at the beginning of the period		**145**		636
	Cash and Cash Equivalents at the end of the period		**330**		145

*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 year ended 31 March 2020 have been reviewed and recommended by the Audit Committee in their meeting held on 05 June 2020 and approved by the Board of Directors of the Company at their meeting held on even date. These results have been subjected to audit by the Statutory Auditors of the Company who have issued an unmodified audit report on the standalone annual financial results for the year ended 31 March 2020.

2 With effect from 01 April 2019, the Company has adopted Ind AS - 116 "Leases" using the modified retrospective approach and accordingly previous year information has not been reinstated. Under this approach, the Company has recognised lease liabilities and corresponding equivalent right of use assets.
During the year ended 31 March 2020, operating lease expenses which were recognised as other expenses in previous years is now recognised as depreciation expense for the right of use assets and finance cost for interest accrued on lease liabilities. 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 31 March 2020.

4 The figures for the three months ended 31 March 2020 and 31 March 2019 are the balancing figures between audited figures in respect of the full financial year and published year to date figures upto the end of third quarter of the relevant financial year. The published year to date figures upto the end of third quarter of the relevant financial year were subject to Limited Review.

5 The Board of Directors has recommended a dividend at the rate of Rs.1.50/- per equity share of Rs.10 each (i.e. 15 % of face value of equity share) for the year ended 31 March 2020 subject to the approval of the Shareholders at the ensuing Annual General Meeting of the Company.

6 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 March 2020, 31 December 2019 and 31 March 2019. Unallocable corporate assets less Unallocable corporate liabilities mainly represent investment of surplus funds and cash and bank balances.

7 The Company elected to exercise the option permitted under Section l l5BAA 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 year ended 31 March 2020 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 results for the quarter ended 30 September 2019.

8 The Nomination and Remuneration Committee (NRC) of Board of Directors at their meeting held on 17 January 2020 have approved the cancellation of 2,00,000 Stock Appreciation Rights (SAR) previously granted to eligible employees, under the SAR Scheme 2014 of the Company. The NRC at the said meeting also approved the grant of 2,00,000 options to the eligible employees under the amended Employee Stock Option Scheme (ESOS) 2013. These options granted via ESOS 2013 is being implemented through a trust viz. Saregama Welfare Trust ("Trust") in accordance with the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 which involves secondary market acquisition of the Company's equity shares by the Trust.

9 In view of pandemic relating to COVID – 19, the Company has considered internal and external information available upto 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 to recover the carrying amounts of these assets and 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.

10 The figures of the previous periods/year have been regrouped/ reclassified, wherever necessary, to conform to the classification for the three months and year ended 31 March 2020.

11 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
Digitally signed by VIKRAM MEHRA
Date: 2020.06.05 12:38:55 +05'30'

Vikram Mehra
Managing Director
DIN: 03556680

Kolkata
05 June 2020

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(Rs in Lakhs)

Statement of Consolidated Financial Results for the Three Months and Year Ended 31 March 2020

Sl. No.	Particulars	3 Months ended 31 March 2020	3 Months ended 31 December 2019	3 Months ended 31 March 2019	Year ended 31 March 2020	Year ended 31 March 2019
		(Audited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)
		Refer Note 3		Refer Note 4		
1	**Income**					
	(a) Revenue from operations	10,866	12,945	12,675	52,147	54,472
	(b) Other income	338	273	1,239	1,123	5,641
	Total Income	11,204	13,218	13,914	53,270	60,113
2	**Expenses**					
	(a) Cost of material consumed/ Contract manufacturing charges	907	2,611	3,746	10,703	22,161
	(b) Cost of production of films and television serials	895	1,236	1,384	5,408	4,883
	(c) Changes in inventories of finished goods and work-in-progress [(increase) /decrease]	408	64	(1,377)	256	(4,703)
	(d) Employee benefits expense	1,542	2,027	1,468	6,661	5,651
	(e) Finance costs	137	143	189	671	656
	(f) Depreciation and amortisation expense	117	115	48	464	333
	(g) Advertisement and sales promotion	1,434	2,161	2,541	9,294	10,485
	(h) Royalty expense	1,550	1,604	1,453	6,125	5,592
	(i) Other expenses	1,981	1,876	1,829	7,653	6,587
	Total Expenses	8,971	11,837	11,281	47,235	51,645
3	**Profit before exceptional items and tax (1-2)**	2,233	1,381	2,633	6,035	8,468
4	**Exceptional Items**	-	-	-	-	-
5	**Profit before tax (3-4)**	2,233	1,381	2,633	6,035	8,468
6	**Tax Expense**					
	(a) Current Tax	879	372	271	1,968	2,130
	(b) Tax related to Prior Periods	46	-	-	46	
	(c) Deferred Tax (net)	(176)	(39)	707	(329)	905
	Total tax expense	749	333	978	1,685	3,035
7	**Profit for the period (5-6)**	1,484	1,048	1,655	4,350	5,433
8	**Other Comprehensive Income (net of taxes)**					
	(a) Items that will be reclassified to profit or loss	12	(30)	101	18	66
	(b) Items that will not be reclassified to profit or loss	(4,872)	(424)	1,180	(6,520)	(202)
	Total Other Comprehensive Income	(4,860)	(454)	1,281	(6,502)	(136)
9	**Total comprehensive income for the period (7+8)**	(3,376)	594	2,936	(2,152)	5,297
10	**Profit for the period attributable to:**					
	(a) Owner of the Company	1,581	1,017	1,702	4,394	5,412
	(b) Non-controlling Interest	(97)	31	(47)	(44)	21
11	**Other Comprehensive Income for the period attributable to:**					
	(a) Owner of the Company	(4,865)	(447)	1,259	(6,509)	(150)
	(b) Non-controlling Interest	5	(7)	22	7	14
12	**Total Comprehensive Income for the period attributable to:**					
	(a) Owner of the Company	(3,284)	570	2,961	(2,115)	5,262
	(b) Non-controlling Interest	(92)	24	(25)	(37)	35
13	Paid-up Equity Share Capital (Face Value of Rs.10/- each)	1,743	1,742	1,741	1,743	1,741
14	Other equity				38,136	41,067
15	Earnings Per Share (Face Value Rs 10/- each): #					
	(a) Basic (Rs.)	9.16	5.85	9.78	25.29	31.20
	(b) Diluted (Rs.)	9.12	5.85	9.77	25.26	31.18

#Figures for three months are not annualised.

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Consolidated Segment wise Revenue, Results, Assets and Liabilities for the Three Months and Year Ended 31 March 2020

Sl. No.	Particulars	**3 Months ended 31 March 2020**	3 Months ended 31 December 2019	3 Months ended 31 March 2019	**Year ended 31 March 2020**	Year ended 31 March 2019
		(Audited)	(Unaudited)	(Unaudited)	**(Audited)**	(Audited)
		Refer Note 3		Refer Note 4		
1	**Segment Revenue**					
	(a) Music	**9,174**	11,523	11,270	**44,434**	48,969
	(b) Films/Television serials	**1,645**	1,223	1,192	**7,025**	4,765
	(c) Publication	**47**	199	213	**688**	738
	Total Segment Revenue	**10,866**	12,945	12,675	**52,147**	54,472
	Less: Inter Segment Revenue	-	-	-	-	-
	Total Revenue from Operations	**10,866**	12,945	12,675	**52,147**	54,472
2	**Segment Results**					
	(a) Music	**2,520**	2,549	2,470	**9,056**	12,278
	(b) Films/Television serials	**405**	96	44	**915**	(32)
	(c) Publication	**(422)**	(270)	(138)	**(1,292)**	(1,030)
	Total	**2,503**	2,375	2,376	**8,679**	11,216
	Less:					
	(a) Finance costs	**137**	143	189	**671**	656
	(b) Other unallocable expenditure net of unallocable income	**133**	851	(446)	**1,973**	2,092
	Total Profit Before Tax	**2,233**	1,381	2,633	**6,035**	8,468
3	**Segment Assets**					
	(a) Music	**42,878**	41,876	45,015	**42,878**	45,015
	(b) Films/Television serials	**5,489**	6,492	5,340	**5,489**	5,340
	(c) Publication	**466**	598	517	**466**	517
	(d) Unallocated	**13,142**	18,997	20,008	**13,142**	20,008
	Total Segment Assets	**61,975**	67,963	70,880	**61,975**	70,880
4	**Segment Liabilities**					
	(a) Music	**14,373**	13,098	12,645	**14,373**	12,645
	(b) Films/Television serials	**827**	1,002	824	**827**	824
	(c) Publication	**298**	325	326	**298**	326
	(d) Unallocated	**6,373**	10,587	14,015	**6,373**	14,015
	Total Segment Liabilities	**21,871**	25,012	27,810	**21,871**	27,810

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(Rs in Lakhs)

Consolidated Statement of Assets and Liabilities

SL. No.	Particulars	As at 31 March 2020 (Audited)	As at 31 March 2019 (Audited)
	ASSETS		
1	**Non-current assets**		
	(a) Property, plant and equipment	**20,529**	20,571
	(b) Right of use assets	**44**	-
	(c) Investment properties	**231**	236
	(d) Intangible assets	**1,116**	713
	(e) Financial assets		
	(i) Investments	**7,544**	14,834
	(ii) Loans and deposits	**473**	492
	(iii) Other financial assets*	**0**	0
	(f) Other non-current assets	**236**	161
	Total non-current assets	**30,173**	37,007
2	**Current assets**		
	(a) Inventories	**9,364**	9,630
	(b) Financial assets		
	(i) Trade receivables	**10,846**	10,975
	(ii) Cash and cash equivalents	**705**	500
	(iii) Bank balances other than (ii) above	**195**	179
	(iv) Loans	**31**	16
	(v) Other financial assets	**7**	5
	(c) Current tax assets (net)	**3,689**	3,490
	(d) Other current assets	**6,965**	9,078
	Total current assets	**31,802**	33,873
	TOTAL ASSETS	**61,975**	70,880
	EQUITY AND LIABILITIES		
1	**Equity**		
	(a) Equity share capital	**1,743**	1,741
	(b) Other equity	**38,136**	41,067
	Equity Attributable to Owners of the Company	**39,879**	**42,808**
	Non-controlling interest	**225**	262
	Total Equity	**40,104**	**43,070**
	Liabilities		
2	**Non-current liabilities**		
	(a) Employee benefit obligations	**350**	283
	(b) Deferred tax liabilities (net)	**4,578**	5,805
	Total non-current liabilities	**4,928**	6,088
3	**Current liabilities**		
	(a) Financial liabilities		
	(i) Borrowings	**923**	6,377
	(ii) Trade payables		
	a) Total outstanding dues of micro enterprises and small enterprises	**3**	2
	b) small enterprises	**5,797**	5,643
	(iii) Lease liabilities	**47**	-
	(iv) Other financial liabilities	**2,347**	4,213
	(b) Other current liabilities	**2,439**	1,832
	(c) Provisions	**5,159**	3,567
	(d) Employee benefit obligations	**228**	88
	Total current liabilities	**16,943**	21,722
	Total liabilities	**21,871**	27,810
	TOTAL EQUITY AND LIABILITIES	**61,975**	70,880

*Represents value of less than Rs. 0.50 Lakh.

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

(Rs in Lakhs)

Consolidated Statement of Cash Flows

Sl. No.	Particulars	Year ended 31 March 2020 (Audited)		Year ended 31 March 2019 (Audited)	
	Profit Before Tax		**6,035**		8,468
A.	**Cash Flow from Operating Activities**				
	Adjustments for:				
	Depreciation and amortisation expense	**464**		333	
	Allowance for expected credit loss	**160**		(416)	
	Finance costs	**671**		656	
	Liabilities/Provisions no longer required written back	**(328)**		(1,144)	
	Interest income	**(379)**		(880)	
	Share based payment expense	**22**		3	
	Bad debts/advances written off	**5**		25	
	Loss on disposal of Property, plant and equipment*	**2**		0	
	Profit on sale of Property, plant and equipment*	**(0)**		(1)	
	Profit on sale of Investment in Mutual Fund*	**(0)**		(1)	
	Net gain unrealised foreign currency transactions/ translation	**(79)**		-	
	Exchange differences on translation of foreign operations	**18**		66	
	Dividend income from equity investments designated at FVOCI	**(309)**		(270)	
			247		(1,629)
	Operating profit before Working Capital Changes		**6,282**		6,839
	Adjustments for:				
	(Increase)/Decrease in Other current assets, Loans, Other non-current assets	**2,172**		(5,199)	
	Increase in Other financial liabilities, Provisions, Other current liabilities	**1,042**		2,155	
	Increase in Trade payables	**234**		1,740	
	Increase in Employee benefit obligations	**105**		84	
	(Increase)/Decrease in Trade receivables	**64**		(3,239)	
	(Increase)/Decrease in Inventories	**266**		(4,698)	
			3,883		(9,157)
	Cash generated from / (used in) operations		**10,165**		(2,318)
	Income taxes paid (net of refund)		**(2,213)**		(1,255)
	Net cash generated from / (used in) Operating Activities (A)		**7,952**		(3,573)
B.	**Cash Flow from Investing Activities**				
	Purchase of Property, plant and equipment and intangible assets	**(828)**		(1,210)	
	Sale of Property, plant and equipment*	**0**		1	
	Interest received	**28**		304	
	Dividend income from equity investments designated at FVOCI	**309**		270	
	Investment in Mutual funds	**(150)**		(200)	
	Proceeds from sale of Investment in Mutual funds	**150**		200	
	Fixed deposits placed with banks (with maturity more than 3 months)	**(12)**		-	
	Net cash used in Investing Activities (B)		**(503)**		(635)
C.	**Cash Flow from Financing Activities**				
	(Repayment of) / Proceeds from Short term borrowings	**(5,453)**		4,789	
	Proceeds form issue of shares	**2**		-	
	Share premium received on issue of shares	**20**		-	
	Purchase of Investment by Saregama Welfare Trust (Treasury Shares)	**(764)**		-	
	Dividend paid	**(523)**		(515)	
	Dividend distribution tax paid	**(107)**		(107)	
	Repayment of principal portion of lease liabilities	**(79)**		-	
	Interest paid on lease liabilities	**(9)**		-	
	Interest paid on others	**(332)**		(381)	
	Net cash generated from / (used in) Financing Activities (C)		**(7,245)**		3,786
	Net increase / (decrease) in cash and cash equivalents (A+B+C)		**204**		(422)
	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*		**1**		0
	Cash and Cash Equivalents at the end of the period		**705**		500

*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".

NOTES:

1	The aforementioned results for the three months and year ended 31 March 2020 have been reviewed and recommended by the Audit Committee in their meeting held on 05 June 2020 and approved by the Board of Directors of the Parent Company at their meeting held on even date. These results have been subjected to audit by the Statutory Auditors of the Parent Company who have issued an unmodified audit report on the consolidated financial results for the year ended 31 March 2020.
2	With effect from 01 April 2019, the Group has adopted Ind AS - 116 "Leases" using the modified retrospective approach and accordingly previous year information has not been reinstated. Under this approach, the Group has recognised lease liabilities and corresponding equivalent right of use assets. During the year ended 31 March 2020, operating lease expenses which were recognised as other expenses in previous years is now recognised as depreciation expense for the right of use assets and finance cost for interest accrued on lease liabilities. The application of Ind AS - 116 did not have any significant impact on these financial results.
3	The figures for the three months ended 31 March 2020 are the balancing figures between audited figures in respect of the full financial year and published year to date figures upto the end of third quarter of the financial year. The published year to date figures upto the end of third quarter of the financial year were subject to Limited Review.
4	Since the requirement of submission of quarterly consolidated results has become mandatory only from 01 April 2019, the figures for the three months ended 31 March 2019 are the balancing figures between audited figures in respect of full financial year and the year to date figures upto the end of third quarter of the financial year, which was not subjected to limited review by the Statutory Auditors of the Company.
5	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.
6	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 March 2020, 31 December 2019 and 31 March 2019. Unallocable corporate assets less unallocable corporate liabilities mainly represent investment of surplus funds and cash and bank balances.
7	In view of pandemic relating to COVID – 19, the Group has considered internal and external information available upto the date of approval of these consolidated financial 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 to recover the carrying amounts of these assets and 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.
8	The figures of the previous periods/year have been regrouped/ reclassified, wherever necessary, to conform to the classification for the three months and year ended 31 March 2020.
9	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

Digitally signed by VIKRAM MEHRA
Date: 2020.06.05 12:36:44 +05'30'

Vikram Mehra
Managing Director
DIN: 03556680

Kolkata
05 June 2020

B S R & Co. LLP
Chartered Accountants

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INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF SAREGAMA INDIA LIMITED

Report on the audit of the Consolidated Annual Financial Results

Opinion

We have audited the accompanying consolidated annual financial results of Saregama India Limited (hereinafter referred to as the ''Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") for the year ended 31 March 2020, attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate audited financial statements of the subsidiaries, the aforesaid consolidated annual financial results:

a. include the annual financial results of the following entities:

Sl. No.	Name of the Entity	Relationship
1	Kolkata Metro Networks Private Limited	Wholly owned Subsidiary
2	Open Media Network Private Limited	Wholly owned Subsidiary
3	RPG Global Music Limited	Wholly owned Subsidiary
4	Saregama FZE	Wholly owned Subsidiary
5	Saregama Limited (formerly known as Saregama Plc.) (SL)	Subsidiary
6	Saregama Inc.	Wholly owned Subsidiary of SL

b. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and

c. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of consolidated net profit and other comprehensive income and other financial information of the Group for the year ended 31 March 2020.

B S R & Co. LLP KOLKATA Chartered Accountants

B S R & Co. (a partnership firm with Registration No. BA61223) converted into B S R & Co. LLP (a Limited Liability Partnership with LLP Registration No. AAB-8181) with effect from October 14, 2013

Registered Office :
5th Floor, Lodha Excelus
Apollo Mills Compound
N.M. Joshi Marg, Mahalakshmi
Mumbai - 400 011

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Annual Financial Results* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated annual financial results.

Management's and Board of Directors' Responsibilities for the Consolidated Annual Financial Results

These consolidated annual financial results have been prepared on the basis of the consolidated annual financial statements.

The Holding Company's Management and the Board of Directors are responsible for the preparation and presentation of these consolidated annual financial results that give a true and fair view of the consolidated net profit and other comprehensive income and other financial information of the Group in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated annual financial results by the Management and the Directors of the Holding Company, as aforesaid.

In preparing the consolidated annual financial results, the respective Management and the Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

B S R & Co. LLP
KOLKATA
Chartered Accountants

Auditors' Responsibilities for the Audit of the Consolidated Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the consolidated annual financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated annual financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated annual financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the consolidated financial results made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated annual financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated annual financial results, including the disclosures, and whether the consolidated annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group to express an opinion on the consolidated annual financial results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors. For the other entities included in the consolidated annual financial results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled "Other Matters" in this audit report.

B S R & Co. LLP
Kolkata
Chartered Accountants

Auditors' Responsibilities for the Audit of the Consolidated Annual Financial Results *(Continued)*

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated annual financial results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We also performed procedures in accordance with the circular No CIR/CFD/CMD1/44/2019 issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

Other Matters

(a) The consolidated annual financial results include the audited financial results of five subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of Rs. 3,772 Lakhs as at 31 March 2020, total revenue (before consolidation adjustments) of Rs. 4,328 Lakhs and total net loss after tax (before consolidation adjustments) of Rs. 540 Lakhs and net cash inflows of Rs 20 Lakhs for the year ended on that date, as considered in the consolidated annual financial results, which have been audited by their respective independent auditors. The independent auditors' reports on financial statements of these entities have been furnished to us by the Management of the Holding Company and our opinion on the consolidated annual financial results, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.

Certain of these subsidiaries are located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standard applicable in their respective countries. The Holding Company's Management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's Management. Our opinion, in so far as it relates to the balances and affairs of such subsidiaries located outside India, is based on the report of other auditors and the conversion adjustments prepared by the Management of the Holding Company and audited by us.

Our opinion on the consolidated annual financial results is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

B S R & Co. LLP
KOLKATA
Chartered Accountants

INDEPENDENT AUDITORS' REPORT *(CONTINUED)*
Saregama India Limited

Other Matters *(Continued)*

(b) The consolidated annual financial results include the results for the quarter ended 31 March 2020 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

B S R & Co. LLP
KOLKATA
Chartered Accountants

Jayanta Mukhopadhyay
Partner
Membership Number: 055757
UDIN: 20055757AAAABD8239

Place: Kolkata
Date: 05 June 2020

B S R & Co. LLP
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INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF SAREGAMA INDIA LIMITED

Report on the audit of the Standalone Annual Financial Results

Opinion

We have audited the accompanying standalone annual financial results of Saregama India Limited (hereinafter referred to as the "Company") for the year ended 31 March 2020, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone annual financial results:

a. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and

b. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information for the year ended 31 March 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the *Auditors' Responsibilities for the Audit of the Standalone Annual Financial Results* section of our report. We are independent of the Company, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our opinion on the Standalone Annual Financial Results.

B S R & Co. LLP KOLKATA Chartered Accountants

Management's and Board of Directors' Responsibilities for the Standalone Annual Financial Results

These standalone annual financial results have been prepared on the basis of the standalone annual financial statements.

The Company's Management and the Board of Directors are responsible for the preparation and presentation of these standalone annual financial results that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone annual financial results, the Management and the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Standalone Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the standalone annual financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone annual financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone annual financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

B S R & Co. LLP
KOLKATA
Chartered Accountants

Auditors' Responsibilities for the Audit of the Standalone Annual Financial Results ***(Continued)***

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial results made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the standalone annual financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone annual financial results, including the disclosures, and whether the standalone annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

The standalone annual financial results include the results for the quarter ended 31 March 2020 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

B S R & Co. LLP + KOLKATA + Chartered Accountants

Jayanta Mukhopadhyay
Partner
Membership Number: 055757
UDIN: 20055757AAAABB8426

Place: Kolkata
Date: 05 June 2020

is pleased to invite you to the

Q4FY20 and FY20 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

Monday, June 8, 2020
at 11:00 hrs India Time

Call-in Numbers
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saregama
soul of India

Earnings release for the Quarter ended March 31, 2020 and FY 19-20

62% Q-o-Q Growth in Consolidated PBT and

41% Q-o-Q Growth in Consolidated PAT

Mumbai, Jun 05, 2020: Saregama, India's oldest music label and the youngest movie studio, announced its financial results for the 4th Quarter ended Mar 31st. In a quarter saddled with Covid-19 related jolts, the company has been able to grow its PBT by 62% Q-o-Q. During Q4 FY20, the company's consolidated Revenue from Operations is Rs. 1087 Mn (Q3 FY 20 was Rs 1295 Mn) and PBT is Rs 223 Mn (Q3 FY 20 was 138 Mn).

Inspite of the quarter witnessing postponement of product launches and fall in Carvaan sales due to Covid-19 related market disturbances, the company was able to grow its profits during this period. This was primarily due to steady growth in its music licensing income, its serial 'Roja' maintaining its position as the highest rated Tamil TV show and Films vertical continuing to do well.

The Consolidated Revenue for the full year FY 20 is 5215 Mn, while Consolidated PAT for the FY20 Rs. 435 Mn. The Licensing Income in FY20 increased by 22%. The overall Carvaan sales during FY 21 was 7.41 Lacs units. The highlight of the year was launch of 3rd party podcasts on Carvaan 2.0 using the return path. Currently 282 podcasts across lifestyle, kids, devotional, music, business, entertainment etc. in multiple languages are available on the Carvaan platform.

The Company has started FY 21 with two new music licensing deals with major global platforms - Spotify and Facebook.

This was a good year for the film division, Yoodlee, which licensed 6 movies during this year. Three of these were delivered to Hotstar as Hotstar Originals and other three to Netflix. One of the Yoodlee films, Hamid, won two National Film Awards while another film, Kanpuriye, won the Talentrack award.

About Saregama India:

Formerly known as The Gramophone Company of India Ltd, Saregama owns the largest music archives in India, 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 has expanded into other branches of entertainment - publishing, film production and digital content.

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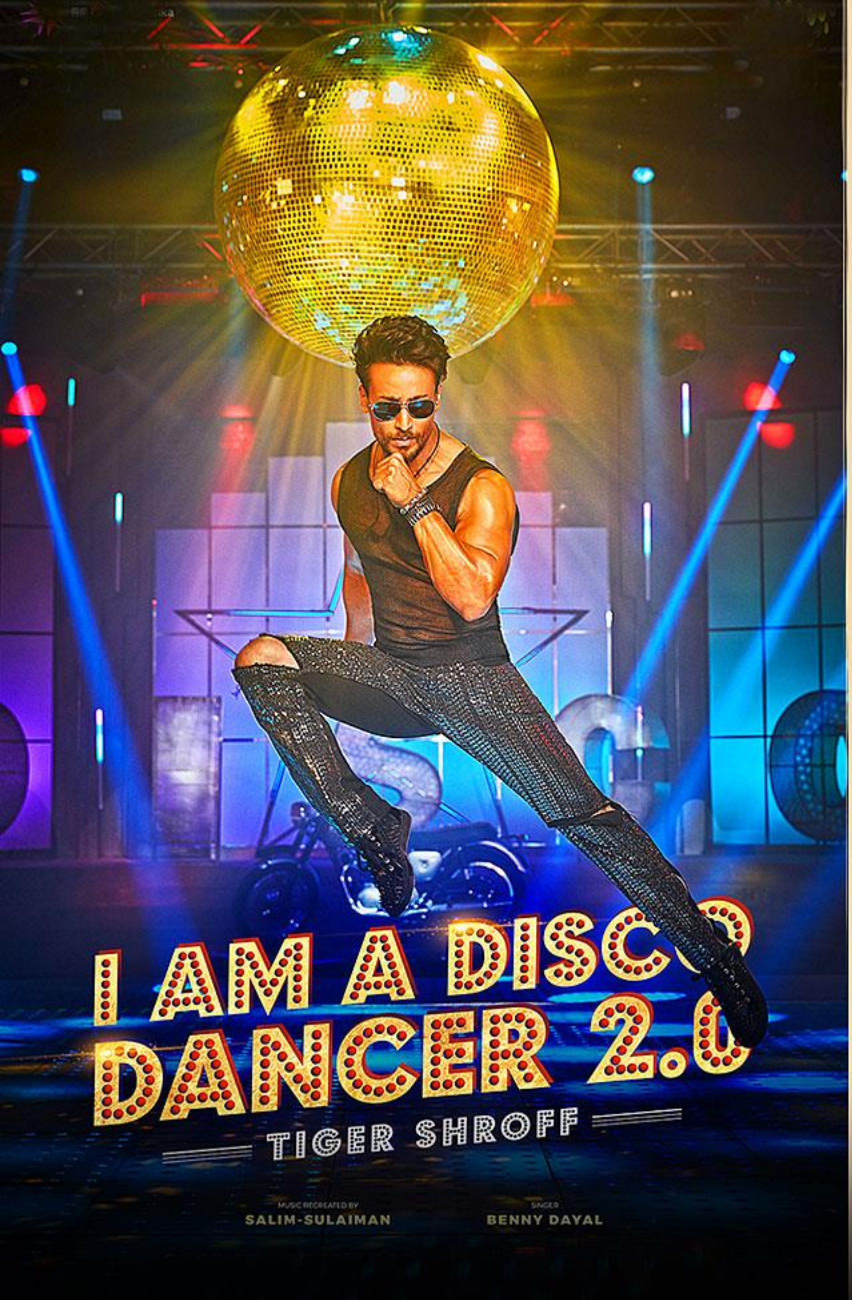
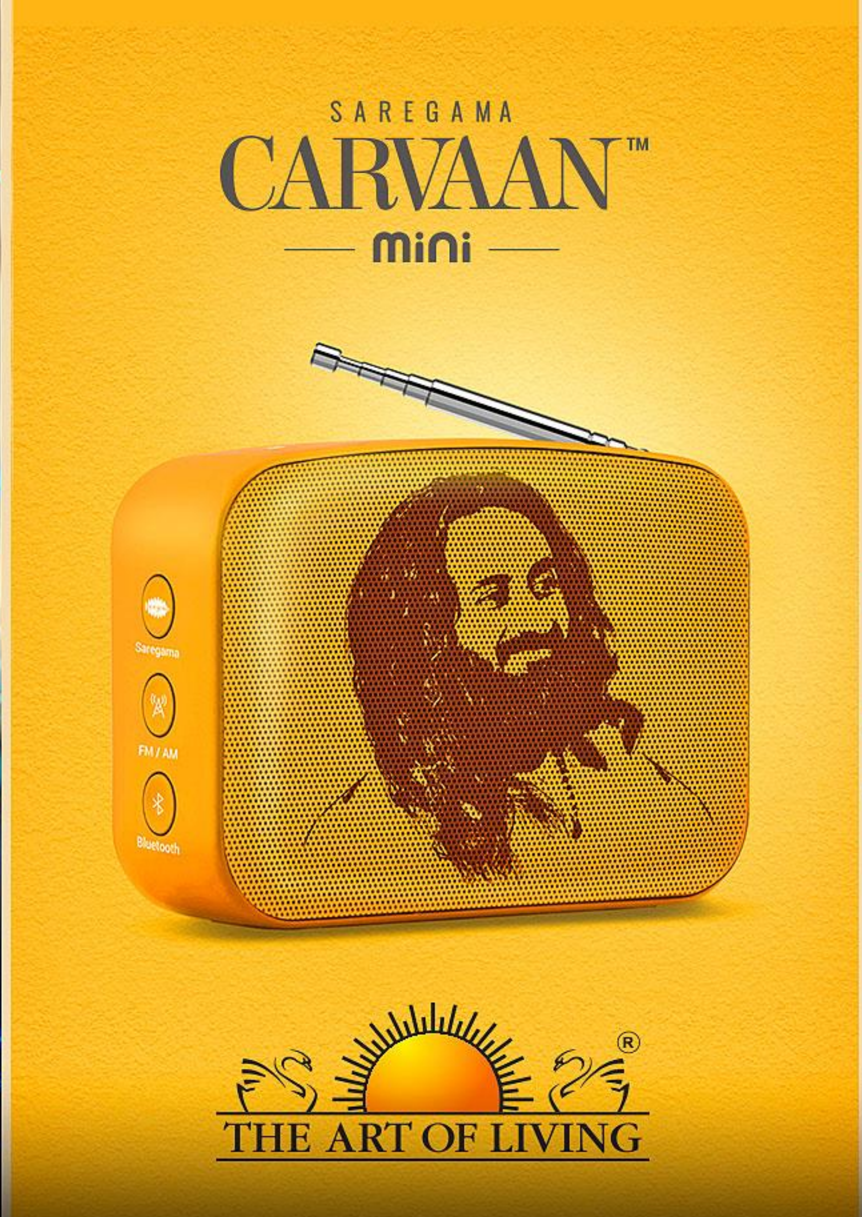
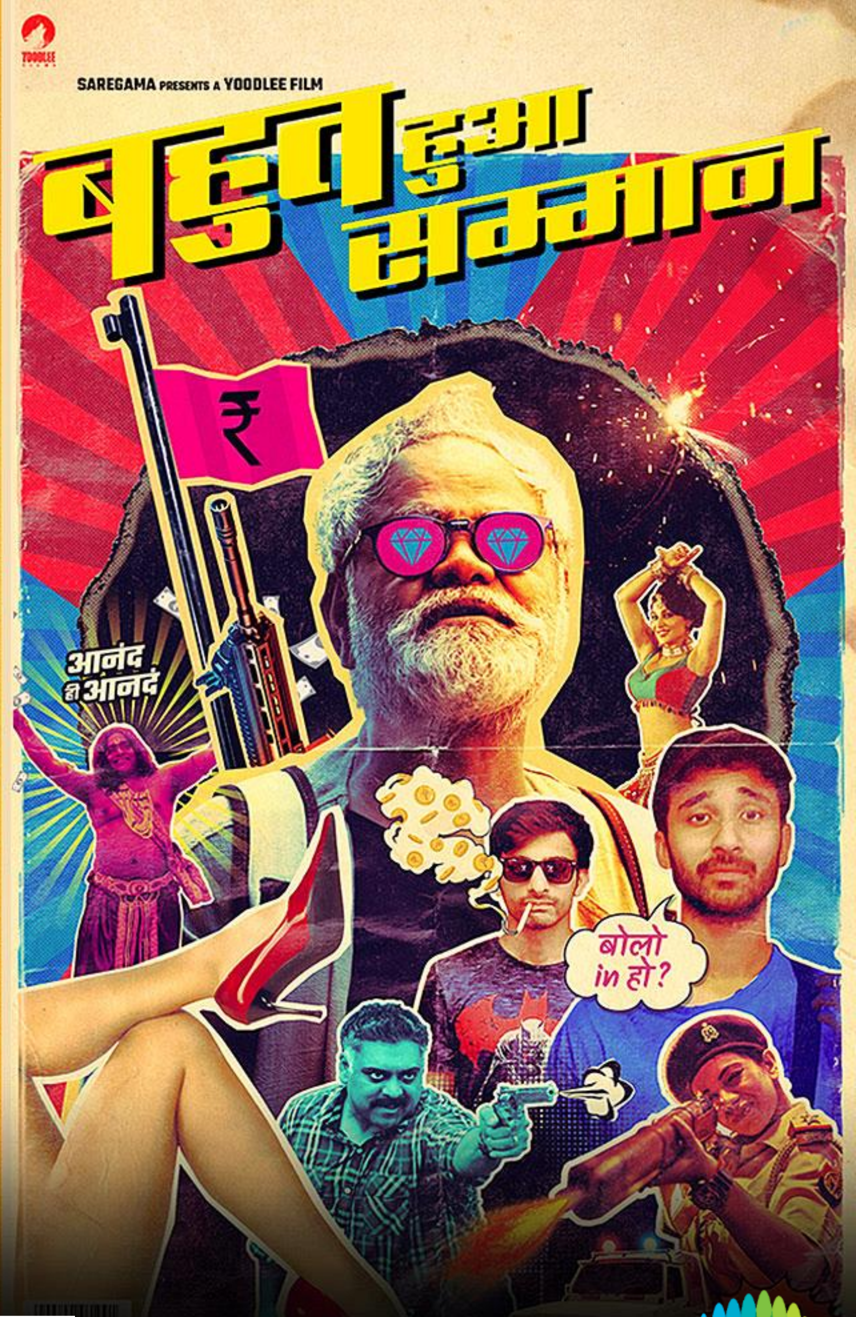






SAREGAMA INDIA LIMITED

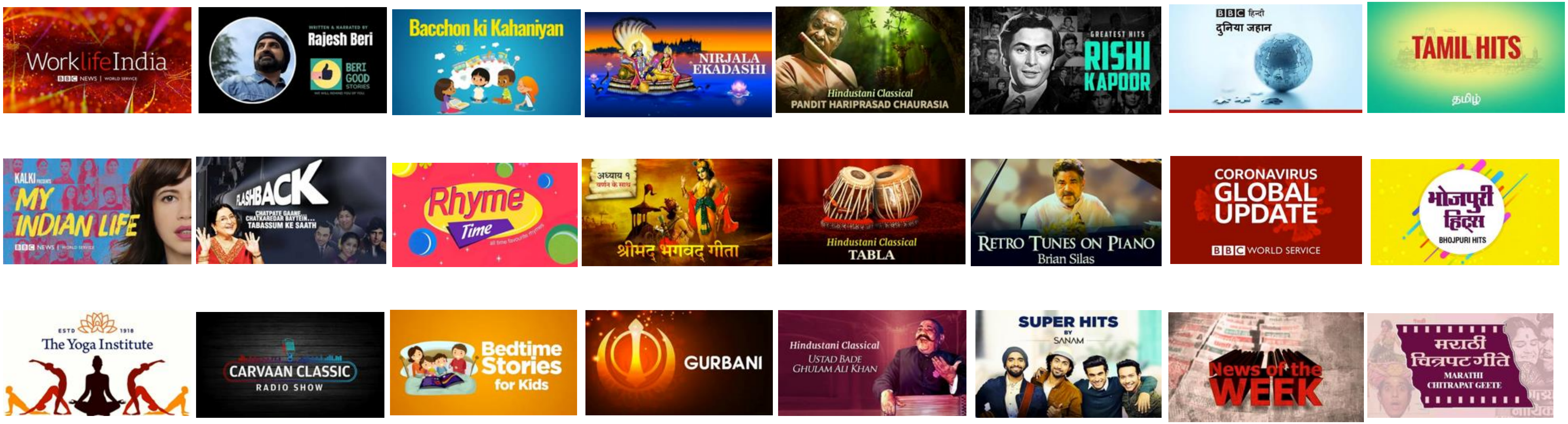
Q4-FY20 / FY20 EARNINGS PRESENTATION

RP-Sanjiv Goenka Group

SAREGAMA CARVAAN™ 2.0

MUSIC MEETS PODCAST

LIFESTYLE	ENTERTAINMENT	KIDS	DEVOTIONAL	CLASSICAL	TRENDING	BUSINESS	REGIONAL



Snapshot

India’s oldest music label and youngest film production house

Producing digital thematic films targeted at the youth segment. 12 movies released on Netflix / Disney Hotstar in 3 yrs

Consistent Dividend Yield

Leading producer in terms of number of hours of content (6000+ hrs) produced for Tamil television serials

Strong and professional 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 120,000 songs, 6,000+ hours of television serials and 59 movies

Digital licensing agreements across global OTT platforms, social media giants, TV channels, radio stations etc.

5.5B+ 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

sa re ga ma

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*	59 Films IP + 50 New Films over next 3 years	6000+ 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

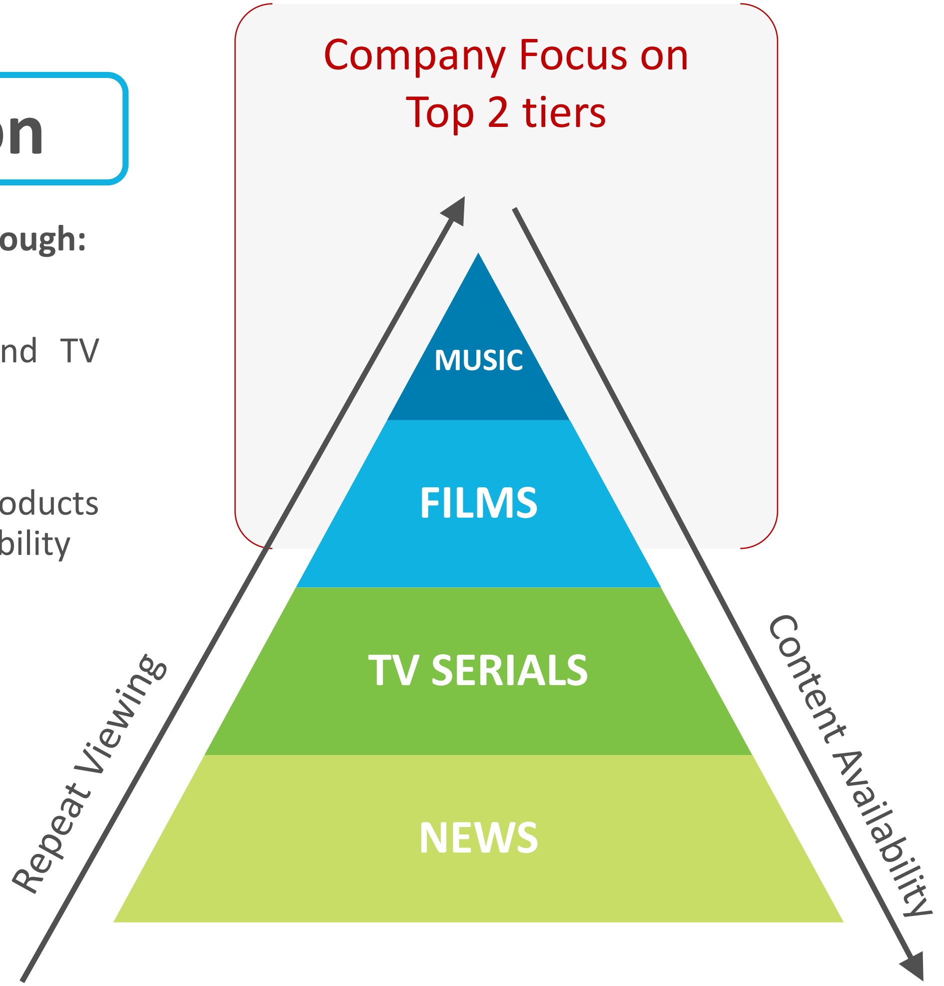
Diversified monetisation of Existing IP to fund IP Creation for Future

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 and return path capability



IP Creation

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

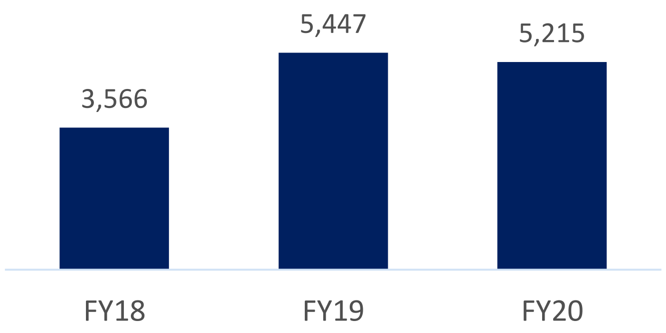
Production of thematic films / series targeted at youth consuming on digital platforms

TV programs in South Indian languages

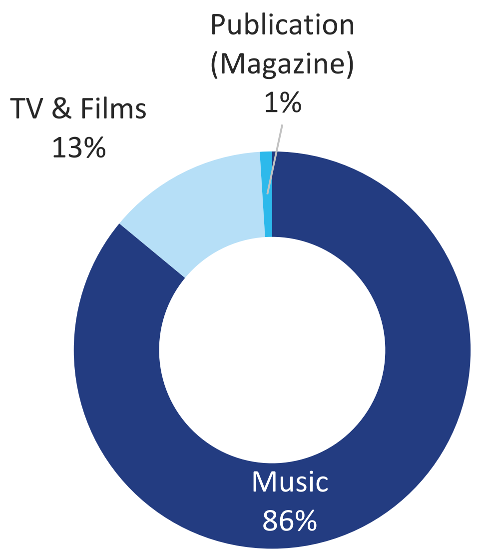
Company Overview

- Saregama India Ltd., an 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 home video, publishing, digital, events, film production and distribution and audio-visuals.
- 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 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 positioned as a writer's 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. These films are licensed to video OTT platforms.
- 6,000+ hours of Tamil serial programming telecast on Sun TV and features in the top 3 slots of afternoon prime time.

Revenue from Operations (INR Mn)



Segmental Revenue Breakup Consolidate FY20

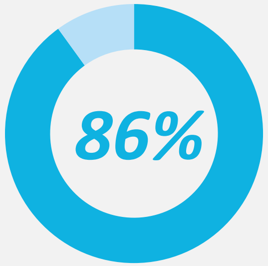


Business Verticals

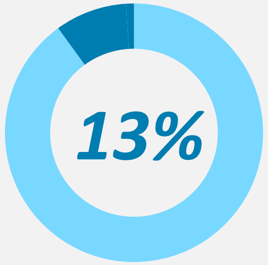
Saregama is the pioneer of the Indian music industry and has evolved into a premier diversified content player with Intellectual property rights of songs, TV serials, movies having presence across platforms like television, radio, digital, telecom, etc.

FY20 Revenue Share

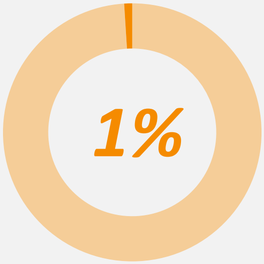
MUSIC



TV & FILMS



PUBLICATIONS



Business Verticals

- 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

- 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 6,000+ hours of Tamil Series
- Yoodlee Films is the production division which focuses on thematic digital films in all languages with tightly controlled budgets

- 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.

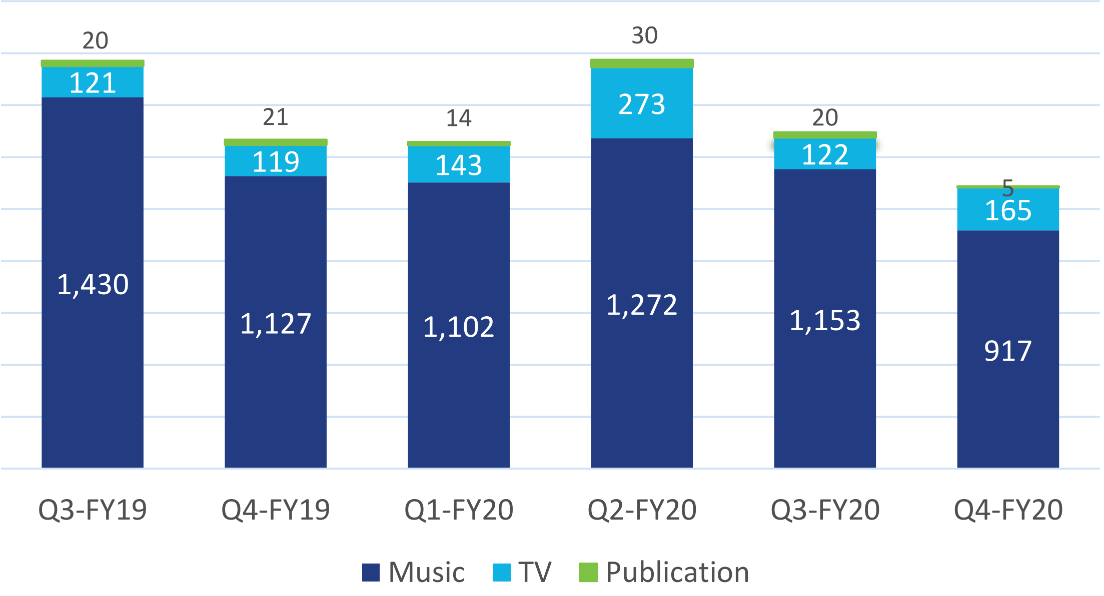
Financial Highlights

Consolidated

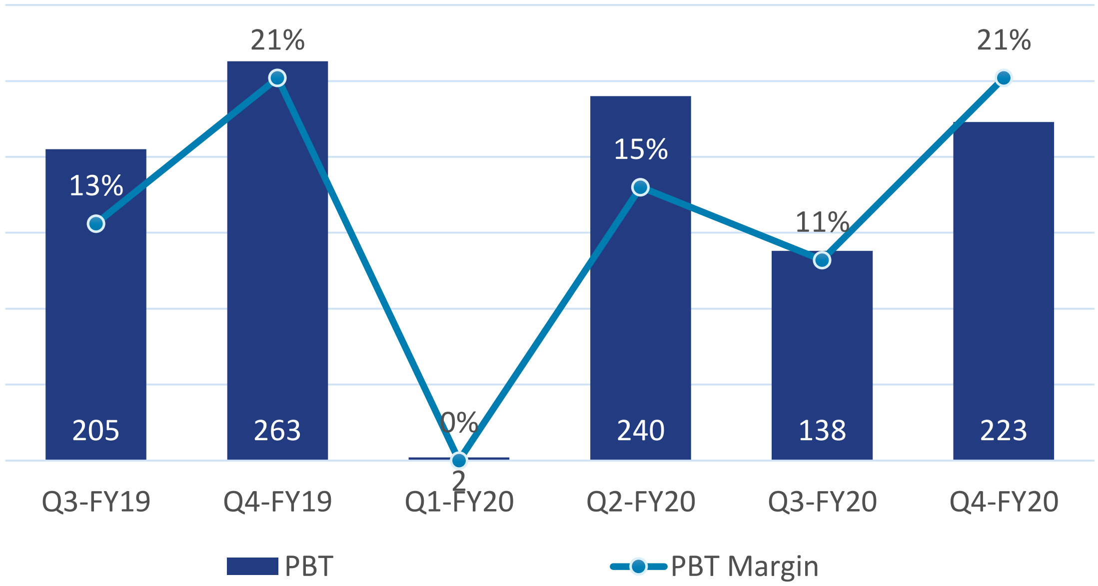
Quarterly Financial Summary

Particulars (INR Mn)	Q4-FY20	Q3-FY20	Q-o-Q Growth	Q4-FY19	Y-o-Y
Revenues					
• Music	917	1,153	-20%	1127	-19%
• TV & Films	165	122	35%	119	39%
• Publication	5	20	-75%	21	-76%
Total Revenue from Operation	1087	1,295	-16%	1267	-14%
PBT	223	138	62%	263	-15%
PAT	148	105	41%	165	-10%

Revenue (INR Mn)



PBT (INR Mn) & PBT Margin



Financial Performance-Quarterly

Particulars (INR Mn)	Q4-FY20	Q3-FY20	Q-o-Q Growth	Q4-FY19	Y-o-Y Growth	FY20	FY19	Y-o-Y Growth
Music	917	1,153	-20%	1127	-19%	4444	4897	-9%
TV & Films	165	122	35%	119	39%	702	476	48%
Publication	5	20	-75%	21	-76%	69	74	-7%
Revenue from Operations	**1087**	**1,295**	**-16%**	**1267**	**-14%**	**5215**	**5447**	**-4%**
Other Income	34	27	25%	124	-73%	112	564	-81%
Total Revenue	**1121**	**1,322**	**-15%**	**1391**	**-19%**	**5327**	**6011**	**-11%**
Total Expenses	872	1,159	-25%	1104	-21%	4610	5065	-9%
EBITDA	249	**163**	53%	287	-13%	717	946	-24%
EBITDA Margin (%)	*23%*	***13%***		*23%*		*14%*	*17%*	
Depreciation	12	11	9%	5	140%	47	33	42%
Finance Cost	14	14	0%	19	-26%	67	66	2%
PBT	**223**	**138**	**62%**	**263**	**-15%**	**603**	**847**	**-29%**
Tax	75	33	127%	98	-24%	168	304	-45%
PAT	**148**	**105**	**41%**	**165**	**-10%**	**435**	**543**	**-20%**
Diluted EPS	**9.12**	**5.85**	**56%**	**9.77**	**-7%**	**25.26**	**31.18**	**-19%**

Balance Sheet

Equity and Liabilities (INR Mn)	As on 31st March 2020	As on 31st March 2019
Shareholders Fund		
(a) Equity Share Capital	174	174
(b) Other Equity	3814	4,107
Net worth	**3988**	**4,281**
(a) Non Controlling Interest	22	26
Non Current Liabilities		
(a) Employee Benefit Obligations	35	28
(b) Deferred tax liabilities (Net)	458	581
Current Liabilities		
(a) Financial Liabilities		
(i)Borrowings	92	638
(ii)Trade Payables	579	564
(iii) Lease Liabilities	5	-
(iv)Other Financial Liabilities	235	421
(b) Other Current Liabilities	244	183
(c) Provisions	516	357
(d) Employee Benefit Obligation	23	9
Total	**6197**	**7,088**

Assets (INR Mn)	As on 31st March 2020	As on 31st March 2019
Non Current Fixed Assets		
(a) Property, Plant and Equipment	2053	2,057
(b) Right of use Asset	5	-
(c) Investment Properties	23	24
(d) Intangible assets	112	71
(e) Financial Assets		
(i) Investments	754	1,483
(ii)Loans and Deposits	47	49
(iii)Other Financial Assets	-	-
(f) Other Non Current Assets	24	16
Current Assets		
(a) Inventories	936	963
(b) Financial Assets		
(i) Trade Receivables	1085	1,098
(ii) Cash and cash equivalents	70	50
(iii) Bank Balances other than (ii) above	19	18
(iv)Loans	3	2
(v) Other financial assets	1	-
(c) Current Tax Assets (Net)	369	349
(d) Other Current Assets	696	908
Total	**6197**	**7,088**

Cash Flow Statement

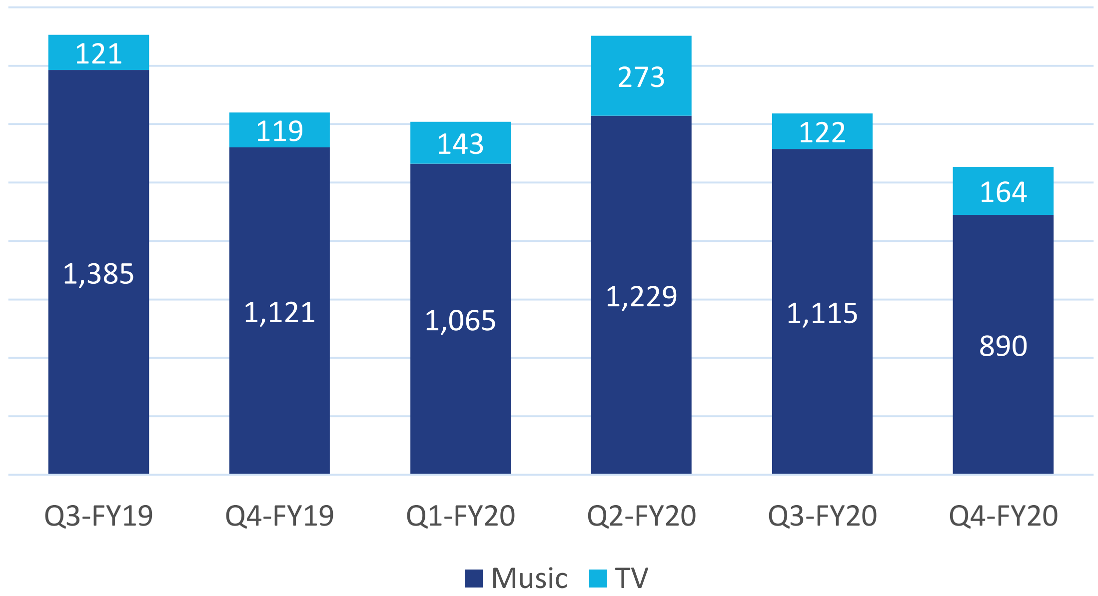
Particulars (INR Mn)	FY20		FY19	
Pre-Tax Profit	**603**		**847**	
Change in other operating activities (Non Cash Items)	25		(163)	
Change in Working capital	388		(916)	
Taxes Paid	(221)		(125)	
Net cash generated from/(used in) Operating Activities (A)		**795**		**(357)**
Net cash (used in) Investing Activities (B)		**(50)**		**(64)**
Net cash (used in) Treasury Shares	(76)			
Repayment/Proceed from Short term Borrowing	(546)		479	
Proceeds from Issue of Share Capital	2		-	
Repayment of Lease Liability	(9)			
Dividend and taxes thereon paid	(63)		(62)	
Interest Paid	(33)		(38)	
Net cash generated from/(used in) Financing Activities (C)		**(725)**		**379**
Net Inc./(Dec.) in Cash and Cash Equivalent		**20**		**(42)**
Cash and Cash Equivalents at the beginning of the period		50		92
Cash and Cash Equivalents at End of the period		**70**		**50**

Standalone

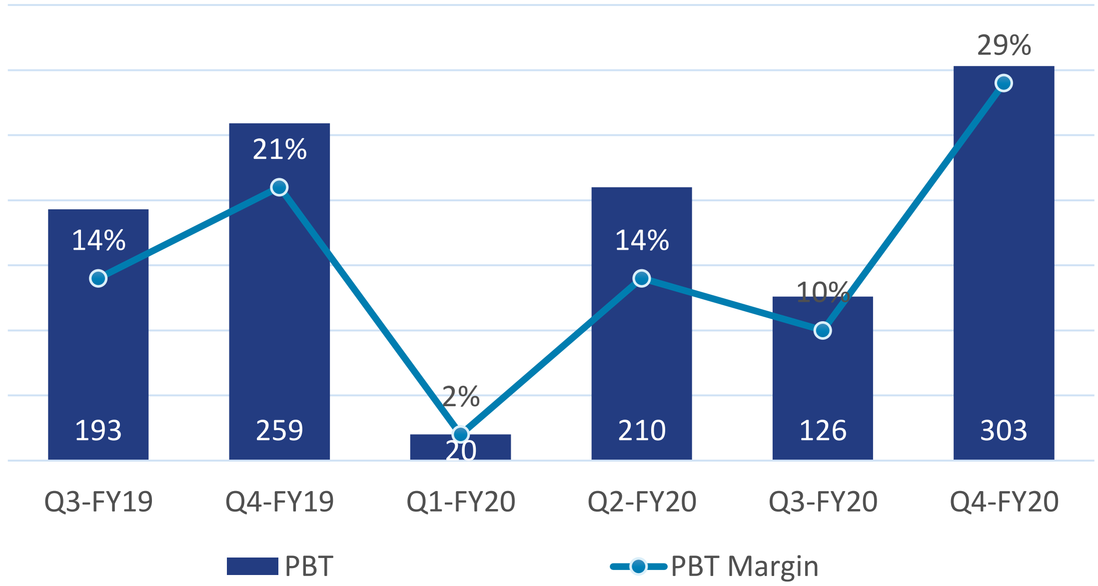
Quarterly Financial Summary

Particulars (INR Mn)	Q4-FY20	Q3-FY20	Q-o-Q Growth	Q4-FY19	Y-o-Y
Revenues					
• Music	890	1,115	-20%	1121	-21%
• TV & Films	164	122	34%	119	38%
Total Revenue from Operation	1,054	1,237	-15%	1240	-15%
PBT	303	126	141%	259	17%
PAT	228	92	148%	161	42%

Revenue (INR Mn)



PBT (INR Mn) & PBT Margin



Financial Performance

Particulars (INR Mn)	Q4-FY20	Q3-FY20	Q-o-Q Growth	Q4-FY19	Y-o-Y Growth	FY20	FY19	Y-o-Y Growth
Revenue from Operations	**1054**	**1,237**	**-15%**	**1240**	**-15%**	**5001**	**5244**	**-5%**
Other Income	28	26	4%	119	-77%	115	595	-81%
Total Revenue	**1082**	**1,263**	**-14%**	**1359**	**-20%**	**5116**	**5839**	**-12%**
Total Expenses	754	1,112	-32%	1077	-30%	4347	4921	-12%
EBITDA	328	**151**	116%	282	16%	769	918	-16%
EBITDA Margin (%)	*31%*	***12%***		*21%*		*15%*	*16%*	
Depreciation	11	11	*-1%*	4	175%	44	30	47%
Finance Cost	14	14	-5%	19	-27%	67	66	2%
PBT	303	126	141%	259	17%	658	822	-20%
Tax	75	34	122%	98	-24%	168	303	-45%
PAT	**228**	**92**	**147%**	**161**	**42%**	**490**	**519**	**-6%**
PAT Margin (%)	*21%*	***7%***		*12%*		*10%*	*9%*	
Diluted EPS	**13.16**	**5.31**		**9.24**		**28.16**	**30**	

Balance Sheet

Equity and Liabilities (INR Mn)	As on 31st March 2020	As on 31st March 2019
Shareholders Fund		
(a) Equity Share Capital	174	174
(b) Other Equity	3964	4,087
Net worth	**4138**	**4,261**
Non Current Liabilities		
(a) Employee Benefit Obligations	29	25
(b) Deferred tax liabilities (Net)	451	557
Current Liabilities		
(a) Financial Liabilities		
(i)Borrowings	63	608
(ii)Trade Payables	522	526
(iii) Lease Liabilities	5	-
(iv)Other Financial Liabilities	221	411
(b) Other Current Liabilities	227	166
(c) Provisions	514	356
(d) Employee Benefit Obligation	21	8
Total	**6191**	**6,918**

Assets (INR Mn)	As on 31st March 2020	As on 31st March 2019
Non Current Fixed Assets		
(a) Property, Plant and Equipment	2052	2,056
(b) Right to use assets	4	-
(c) Investment Properties	23	24
(d) Intangible assets	110	69
(e) Investments in subsidiaries and Joint Venture	186	158
(f) Financial Assets		
(i) Investments	619	1,212
(ii)Loans and Deposits	44	46
(iii)Other Financial Assets	-	-
(g) Other Non Current Assets	23	15
Current Assets		
(a) Inventories	891	924
(b) Financial Assets		
(i) Trade Receivables	1103	1,129
(ii) Cash and cash equivalents	33	15
(iii) Bank Balances other than above	19	18
(iv)Loans	13	13
(v)Other Financial Assets	1	1
(c) Current Tax Assets (Net)	354	336
(d) Other Current Assets	716	902
Total	**6191**	**6,918**

Cash Flow Statement

Particulars (INR Mn)	FY20		FY19	
Pre-Tax Profit	**658**		**823**	
Change in other operating activities (Non Cash Items)	44		(34)	
Change in Working capital	362		(897)	
Taxes Paid	(218)		(122)	
Net cash generated from/(used in) Operating Activities (A)		**846**		**(230)**
Net cash (used in) Investing Activities (B)		**(103)**		**(198)**
Net cash (used in) Treasury Shares	(76)			
Repayment/Proceed from Short term Borrowing	(546)		479	
Proceed from issue of share capital	2		-	
Repayment of lease liability	(9)			
Dividend and taxes thereon paid	(63)		(62)	
Interest Paid	(33)		(38)	
Net cash generated from/(used in) Financing Activities (C)		**(725)**		**379**
Net Inc./(Dec.) in Cash and Cash Equivalent		**18**		**(49)**
Cash and Cash Equivalents at the beginning of the period		15		64
Cash and Cash Equivalents at End of the period		**33**		**15**

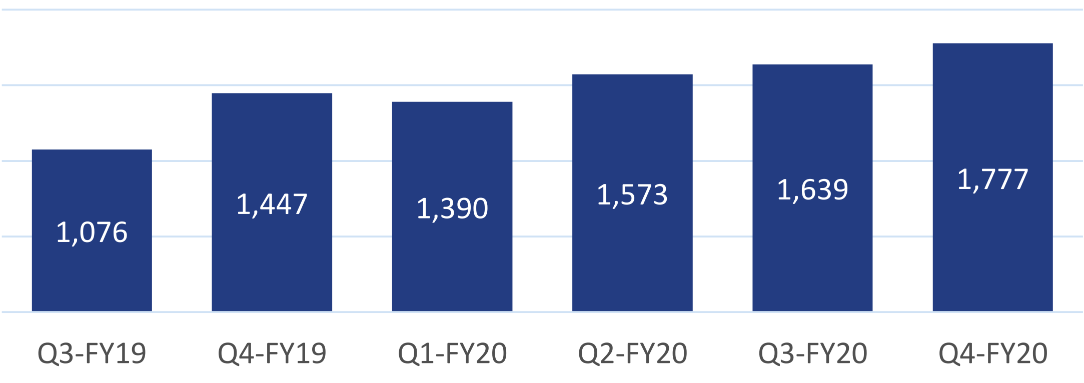
Operational Highlights

Music Segment Operational Highlights

Licensing Revenue registered Y-o-Y Growth of
22% in Q4 FY-20 & 22% growth for FY19-20.

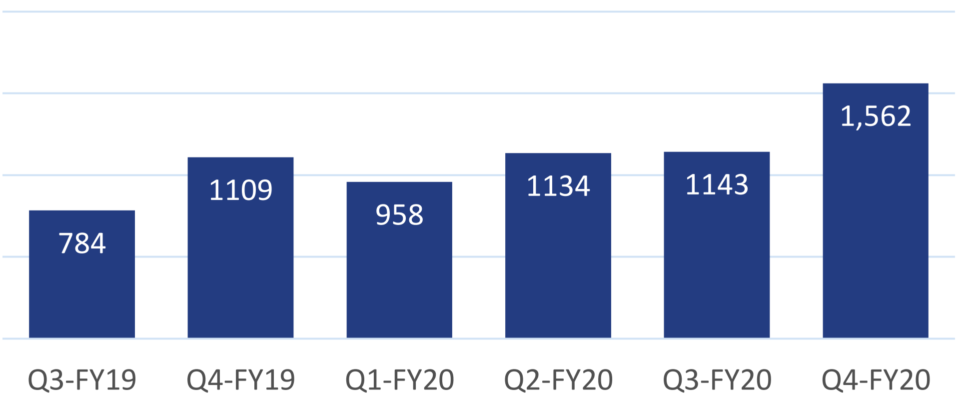
In Q4 music for 5 movies (Panga, Oththaikku Oththa, Ivan Than Uthaman, Yaaro , Ranga), a standalone song with Tiger Shroff, multiple Bhojpuri songs etc. were released

OTT Streams (Mn) per Quarter



Nos. till Q2-FY-20 are Actualised and Q3 and Q4 Nos. included estimated Nos.

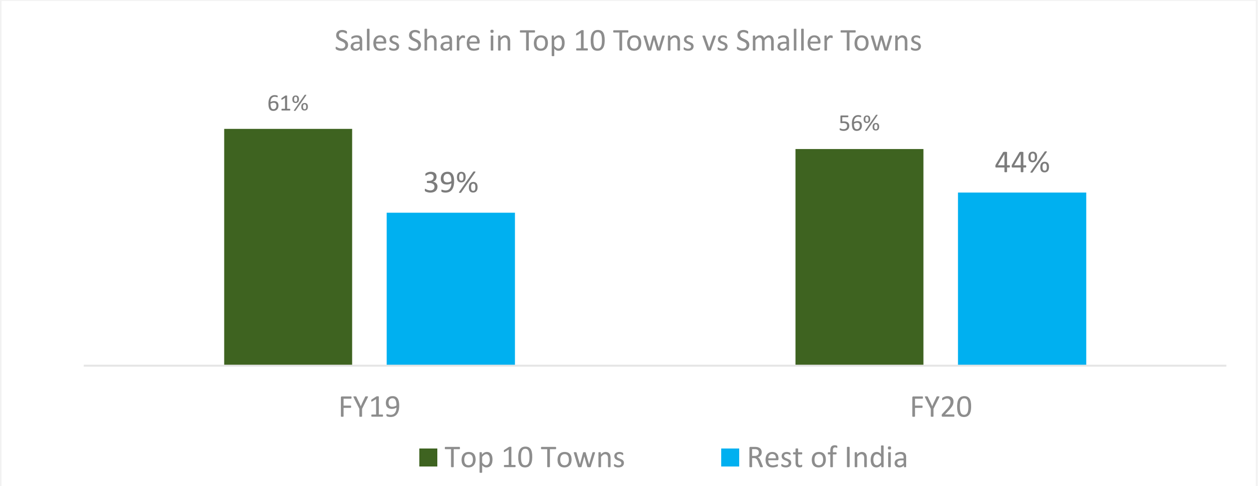
YouTube Views (Mn) per Month



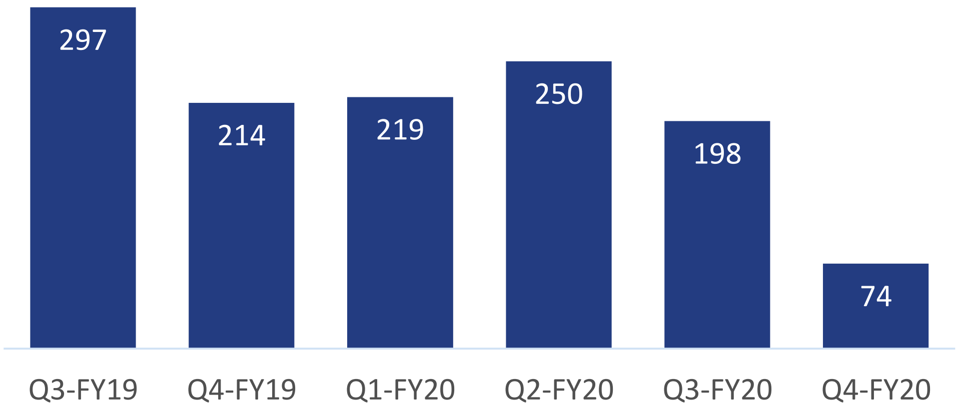
Views count is from 25 Channel owned by Saregama

Music Segment Operational Highlights

- Carvaan sale fell because of multiple factors:
    - Corporate buying went to zero
    - Electronic chains and big distributors reduced buying from Feb onwards
    - Retail network lockdown in March
    - March typically contributes 50% of Q4 sales
- Avg. stock holding in the distribution chain has fallen
- No Supply issue due to preventive measures
- 20 new podcasts stations added to Carvaan 2.0
- Launch of Mini in an exclusive tie up with Art Of Living offering their content



Carvaan Sales (units '000s)



Total billing dealers: 28.7k

Gross margin for Carvaan (FY19-20) : 23%

Future Outlook

Sale expected to takeoff earliest from Q2

Reliance on Natural Pull from the market

Films & TV Segment Operational Highlights

Film Segment

- Release of Tamil film KD on Netflix
- Sale of Bahut Hua Samman to Hotstar

Future Outlook

- Deals closure for Axone and Chaman Bahaar with Platform

TV Segment

- Roja undisputed number 1 serial consistently from Week 51 onwards in TN .
- Chandralekha secures number 1 position in NPT consistently.
- Roja Telugu achieved highest TRP in its time band in Gemini TV
- Sevanthi's TRP improved and achieved 3rd position in Udaya TV

Future Outlook

- Next quarter revenue to be adversely affected in light of no new episodes being shot since Mar end

Financial Overview

Historical Consolidated Income Statement

Particulars (INR Mn)	FY20	FY19	FY18
Revenue from Operations	5215	5447	3,566
Other Income #	112	564	102
Total Revenue	**5327**	**6,011**	**3,668**
Total Expenses	4610	5,065	3,203
EBITDA	**717**	**946**	**465**
EBITDA Margin (%)	***14%***	***17%***	***13%***
Depreciation	47	33	42
Finance Cost	67	66	34
PBT	**603**	**847**	**389**
Tax	168	304	106
PAT	**435**	**543**	**283**
PAT Margins (%)	***8%***	***9%***	***8%***
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. 376Mn towards cost of damaged stocks because of fire in the warehouse.

Historical Consolidated Balance Sheet

Equity and Liabilities (INR Mn)	FY20	FY19	FY18
Shareholders Fund			
(a) Equity Share Capital	174	174	174
(b) Other Equity	3814	4,107	3,643
Net worth	**3988**	**4,281**	**3,817**
(c) Non Controlling Interest	22	26	23
Non Current Liabilities			
(a) Employee Benefit Obligations	35	28	24
(b) Deferred tax liabilities (Net)	458	581	479
Current Liabilities			
(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
Total	**6197**	**7,088**	**5,783**

Assets (INR Mn)	FY20	FY19	FY18
Non Current Fixed Assets			
(a) Property, Plant and Equipment	2053	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
Current Assets			
(a) Inventories	936	963	493
(b) Financial Assets			
(i) Trade Receivables	1085	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	0	0
(c) Current Tax Assets (Net)	369	349	423
(d) Other Current Assets	696	908	392
Total	**6197**	**7,088**	**5,783**

Historical Standalone Income Statement

Particulars (INR Mn)	FY20	FY19	FY18
Revenue from Operations	5001	5,244	3,456
Other Income#	115	595	142
Total Revenue	**5116**	**5,839**	**3,598**
Total Expenses	4347	4,921	3,115
EBITDA	**769**	**918**	**483**
EBITDA Margin (%)	***15%***	***16%***	***14%***
Depreciation	44	30	38
Finance Cost	67	66	34
PBT	**658**	**822**	**411**
Tax	168	303	106
PAT	490	519	305
PAT Margins (%)	***10%***	***9%***	***8%***
Other Comprehensive Income	(532)	(16)	136
Total Comprehensive Income (After Tax)	**(42)**	**503**	**441**
Diluted EPS (INR)	**28.16**	**29.80**	**17.51**

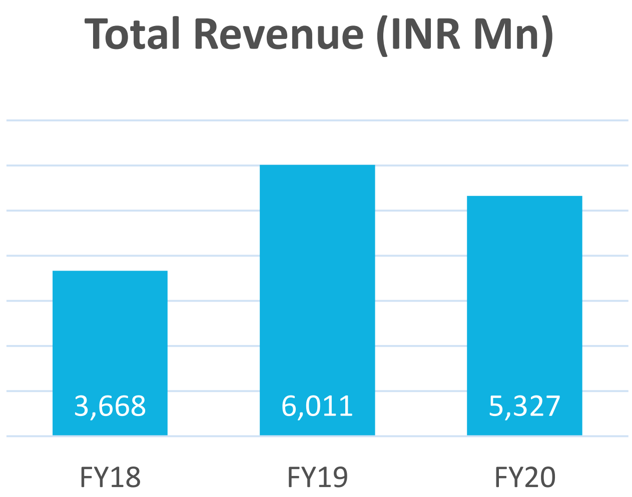
 # In FY2018-19 other income includes Rs. 322 MN estimated Insurance claim receivable & Total Expense includes Rs. 376Mn towards cost of damaged stocks because of fire in the warehouse.

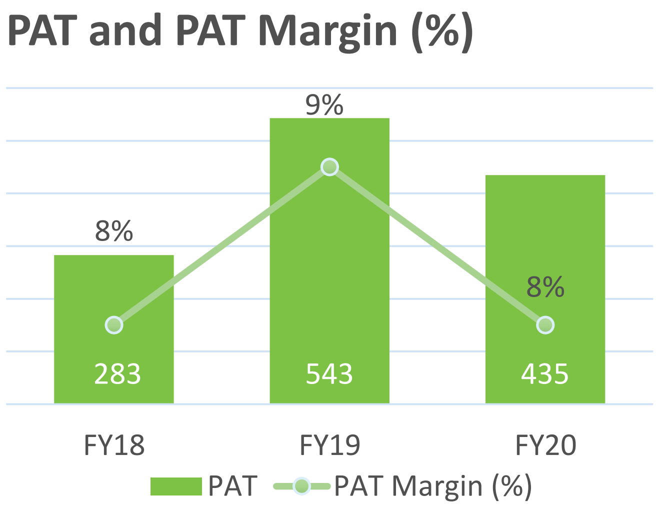
Standalone Balance Sheet

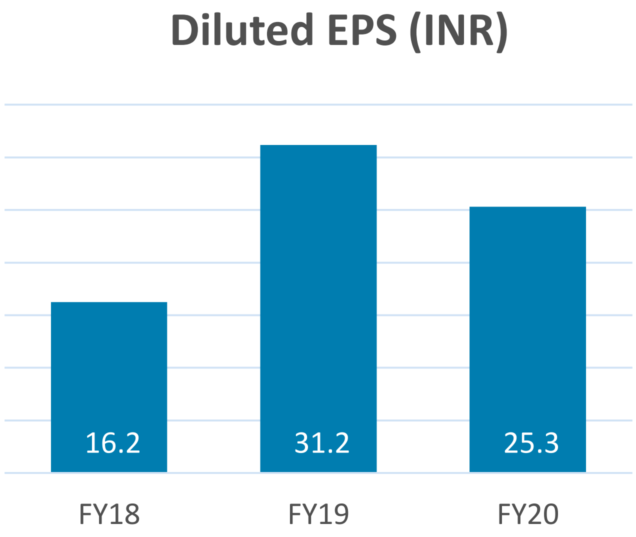
Equity and Liabilities (INR Mn)	FY20	FY19	FY18
Shareholders Fund			
(a) Equity Share Capital	174	174	174
(b) Other Equity	3964	4087	3,647
Net worth	**4138**	**4261**	**3,821**
Non Current Liabilities			
(a) Employee Benefit Obligations	29	25	21
(b) Deferred tax liabilities (Net)	451	557	456
Current Liabilities			
(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
Total	**6191**	**6,918**	**5,642**

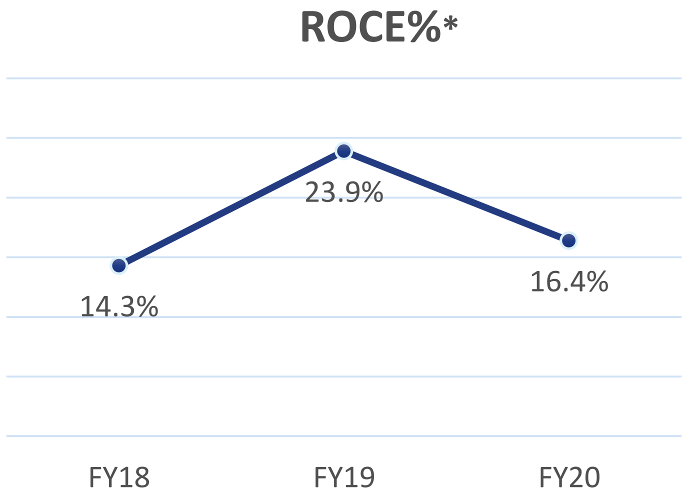
Assets (INR Mn)	FY20	FY19	FY18
Non Current Fixed Assets			
(a) Property, Plant and Equipment	2052	2056	1,881
(b) Right of use Asset	4		
(c) Investment Properties	23	24	24
(d) Intangible assets	110	69	61
(d) Investments in subsidiaries and Joint Venture	186	158	155
(e) Financial Assets			
(i) Investments	619	1,212	1,234
(ii)Loans and Deposits	44	46	34
(iii)Other Financial Assets	-	-	-
(g) Other Non Current Assets	23	15	112
Current Assets			
(a) Inventories	891	924	473
(b) Financial Assets			
(i) Trade Receivables	1103	1129	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
Total	**6191**	**6,918**	**5,642**

Financial Charts (Consolidated)



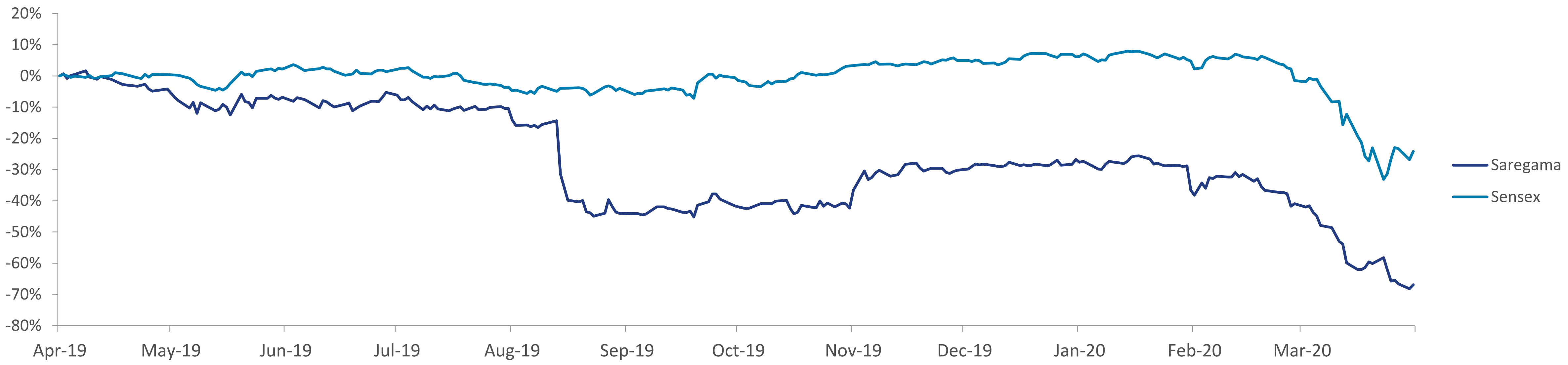






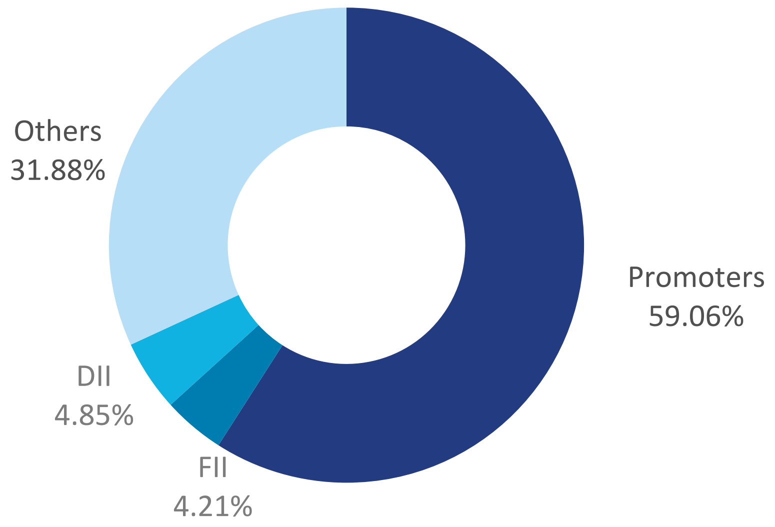
*Capital Employed = share capita. security premium & free reserves

Capital Market Data



Price Data (As of 31st March, 2020)	INR
Face Value	10.0
Market Price	196.3
52 Week H/L	619.0/185.0
Market Cap (INR Mn)	3,419.9
Equity Shares Outstanding (Mn)	17.4
1 Year Avg. Trading Volume ('000)	21.2

Shareholding Pattern as on 31st March, 2020



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“Saregama India Limited
Q4 FY2020 Earnings Conference Call”

June 08, 2020

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

Moderator: Ladies and gentlemen, good day and welcome to the Saregama India Q4 FY2020 Earnings 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. Thank you and over to you Sir!

Bhupendra Tiwari: Thank you Aisha. So we at ICICI Securities welcome you to the Q4 FY2020 and FY2020 Results Conference Call of Saregama India limited. The management is represented by Mr. Vikram Mehra, Managing Director, Mr. Vineet Garg, CFO and Mr. B. L. Chandak, Executive Director. I will now hand over the call to Mr. Mehra for the opening comments followed by which we start the Q&A session. Over to you Vikram!

Vikram Mehra: Thank you. Good morning everyone. I do not need to repeat this has been a very difficult environmental situation that we all have been facing for the last three to four months. We are unique because we are B2B player as well as a B2C player so some of the things work for us when things go into a lockdown to a digital world and some of the ringtones work for us especially the physical products that we are selling. Overall, I think we are happy the way the final quarter turned out to be. When the corona issue started hitting the world we were very nervous especially on account of Carvaan, but overall we have been able to come out at least in the fourth quarter of the last financial year. I think reasonably in a position that we can take pride. We were able to increase our profitability in the fourth quarter compared to the third quarter in a substantial fashion.

The other part, which is equally important that during the year we were able to pare down a debt Rs.556 Crores, so we are now once again under Rs.10 Crores of debt and we have intentions to go back in pare it down further as we go ahead. This also happens to be a seventh consecutive year in which we are paying dividends and we are happy that we have been able to have profitability that we can go back and pay this, it is also a lot of comfort for us as management team. The biggest driver for us clearly has been the music licensing business that always has been the cash business of the company. We are using all the assets that we own in terms of IP and keep on monetizing it more and more. The licensing business grew by 22%, this is in spite of the fact that the public performance revenue dried up. Whenever there is a public event happening, music is getting played and we get paid license fee, that part completely went out in the last quarter of the financial year. Our strategy has been digitizing all our content completely ensuring they are available on every audio OTT platform India and abroad. Keep on licensing this content to various video OTT platforms. Whenever new series is coming up in Netflix, Amazon, or a movie is coming up in Hotstar, there is a lot of effort put in from our side to ensure a music features in there, maybe somewhere in the background, so that we get a license fee. With the consumption of audio and video OTT, even television consumption going up that has helped us to boost our revenues further.

We during this quarter also started doing two other initiatives. We have started investing in Bhojpuri content in a significant fashion. In fact, the first song that we took in February end and we are already on Bhojpuri YouTube page which have more than 400000 followers and over 110 million songs views. Remember this is just a three-month-old operation and we have not even started marketing, but we realize that if we can harness a library while we are creating content. There is a lot of new content that we are picking up in Bhojpuri and we are also encouraging a lot of Bhojpuri artists to take some of the biggest Hindi songs and convert them into contemporary Bhojpuri songs. If music maybe the piece of lyrics it is all about monetize the IP that you own far better. IP of the original song, lyrics of the song, the underlying music of the song we can just not only do reinterpretation but also do it in different languages. Hindi Bhojpuri being that close to each other that strategy seems to be paying off.

Other part that we are very proud of is that we use this downtime to speeding up a very ambitious project we had started earlier this year was that there were some 11000 songs that we had identified, which belong to Lata Mangeshkar, Ghulam Ali, M S. Subbulakshmi, movies of 40, maybe some are films some of non-film released in 40s and 50s, which were belonging to Saregama, which somewhere were lost out there over time. They were painfully converted from analog to digital. We took lot of pain in this process because we did not used machines to do it rather human beings to do it. A lot of people who are in their 70s who work as consultants for us in Calcutta factory who were there at the time when these songs were released, went through these songs and cleaned it up. The proper metadata was done and this catalog will get released today. To give you an idea of what does 11000 additional songs means a typical Bollywood movie has 5 songs if you buy 100 movies for next decade and you just create 5000 songs IP. There's a lot of songs in 40s, 50s and 60s, with decent amount of value. This will ensure that our catalog becomes richer and more content goes out to our partners. In the current quarter we have also closed deals with Facebook and Spotify. The benefit of the same is coming from the current quarter onwards not the last quarter, which puts us in a very decent position.

Now if you start talking of the various digital platforms whether it is Spotify, Gaana, Hungama, JioSaavn, Apple, Amazon, Google, Airtel Wynk, Resso, you name it, Saregama's catalogue is present everywhere. You can go to any of these platforms today and listen to a Kishore Kumar songs or Lata Mangeshkar songs or latest Panga movie songs. At the same time there are other platforms that are coming. These platforms encourage user-generated content. Earlier only on YouTube we used to put lot of user generated content, now we are seeing huge amount of user generated content also coming on Facebook, Instagram, TikTok. Saregama has licensed its library and the rights to all these platforms so that users can upload their own videos, own pictures using Saregama Music and we get paid for that. As digital consumption becomes more and more, we need to ensure that our IP gets monetized more and we are seeing clear cut benefits of that coming in.

During the lockdown period, we asked artists to create cover versions or remixes of all the songs across all languages with a clear-cut understanding that they create the song, we put it in all the digital platforms and social media with a revenue sharing arrangement. This allows us to monetize our existing IP much better. Artists is also very, very happy because sitting at home they can create lot of these versions, which can be put on a Facebook or a Gaana or a Saavn and it is a win-win situation for everyone, this is the licensing part. Carvaan sales took a big dip in the fourth quarter and which is our disappointment for us. In the starting of FY 2019-2020 we have been very, very bullish on Carvaan and the economic condition of the country looked pretty decent in March 2019. Hence, we invested in marketing. However, in the second quarter of the financial year we realized that the economic downturn hitting the country's discretionary products like Carvaan. We realized there's no point in pushing the product at this moment. Hence, we started cutting our marketing expenses significantly and you can see the impact of that in Q4. The marketing expenses in Q4 has been very low. But then the second monster that came away was the impact of COVID-19. For most of the small budget electronic products, Q4 is a very big quarter because a lot of corporate buying happens at this time. Lot of companies run incentive schemes in Q4 for the distributors, saying that if they pick up this much amount of stock they will get something free. We had lots of deals that were working on this line. The corporates were picking up Carvaan or Carvaan Go or Carvaan Mini and assuring rewards to the dealers and distributors if their sales targets were made. Since, the sales targets were not met due to lockdown, corporate sell literally went out close to 0 in the quarter. The other issue, the big distributors because of the impact, are slow in building up their own inventory. In March, the entire retail network and all that digital part went to 0.

Overall I think the quarter was a huge disappointment. The only way we could save was to reduce our marketing spend, which we have done from November onwards. The two bright spots I can talk to you about, one the amount of inventory in our distribution network has fallen down, which means as and when the market opens up, sales will be picking up. The second good thing, which happened, that in spite of majority of a production coming out of two factories in China and China going through closure literally from mid of January onwards our supply chain did not get affected. Yes, I acknowledge we could not sell enough, but that was not on account of the people not having enough supply, at least the supply side was completely under control. What we are realizing is that, even during the lockdown period there were humongous number of queries asking for Carvaan, the traffic on our website went up significantly. People wanted to order Carvaan, but since no sale was allowed at that particular time, even from our own website, we were not able to materialize it.

In the month of February, we launched a version of Carvaan Mini with Shri Shri Ravi Shankar, which is called Art of Living Carvaan Mini. We in fact could not even put it in the retail sector. The only thing we could do is to sell it from his ashram and everything went out on the day one itself. We are hoping, that as markets opens up, we will be able to place the unit. This will be very interesting variant for all the fans of Art of Living. We were supposed to launch Karaoke in the month of February, which we could not. Looking at the situation in China that time, we were not very sure to get continuous supply so we push it to March and then March COVID-19 problem happened and we ended up postponing the launch of Karaoke also. So we have two products, which are ready to get pushed out in the market when the timing is right.

The other big thing we have done which can be done very effectively from home is moving Carvaan from just being a standalone product to a platform. We have realized the power of a platform. During this time, we were tracking data i.e. the amount or listening time. People were not only listening to music but also listening to a lot of third-party podcast. We added around 20 podcasts during this time, our overall podcast count that is supported on Carvaan is 282. If you see all the players globally whether it is CallFire or Apple they are all investing heavily on podcast. We believe tomorrow’s world will have a large amount of consumption of podcast. Remember all our deals of podcast are variable deals; we do not give anybody upfront any money. As and when we will be able to get advertising on this podcast, we will start sharing revenue with our partners. Lot of partners are very happy giving the content to us at this juncture because it gives them access to the uppermost charter of the Indian Society that is using Carvaan today.

Next was our Tamil TV Roja. Our show has moved to No. 1 rated program right from the month of December and we maintain the position through-out the last quarter. In terms of TRP we were always No 1 program, which has been a great comfort to us. Also, we are getting into the primetime part. There’s an another show, which is doing very well and is number one show in the afternoon slot. The last part will be film spot.

Three years back when we started films there were lot of skepticism about why we getting into films and I have been constantly maintaining that the power of content IP is going to become bigger and bigger we should not limit ourselves only to audio IP or music video IP or TV serial IP, if we can do films at tight budgets, there will be large amount of market, which we should be ready to take up. I think overall year have been a good testament. This is the third year and has been our best year, which is understandably so because we are now getting clearly established as a very quality production house, which gives good quality films at a reasonable cost. During this quarter, we released a movie called Bahut Hua Sammaan through Disney Hotstar and we are very happy. In the 1st year we made some losses, second year onwards we are getting into a breakeven part. As and we are producing more and more films people acknowledging that they should be working with us. We are also realizing that with the lockdowns happening all around, more and more home consumption happening. There are requests coming from other territories for rights of films either with subtitles or rights of films with dubbing. We are exploring all these possibilities.

Once you have good quality IP, it becomes easier and since we already have relationships with all the channels and the streaming platforms (both audio and video). Overall as a company, not just the new films that we made are undervalued, we have a video IP of 59 movies. The IP is owned by us including 12 of the latest Yoodlee films and some of the older movies like a Godmother belongs to us or Chain Kulii Ki Main Kuli belongs to us, so there is decent quality stuff that you want in terms of films. Music catalog from being just 12000 has suddenly gone up by another 10%. Overall, on the IP side we are becoming stronger and stronger, which hopefully is going to help us in the days to come. That will be all gentlemen and ladies.

Moderator: Thank you very much. We will now begin the question and answer session. The first question is from the line of Abneesh Roy from Edelweiss. Please go ahead.

Abneesh Roy: Congratulations on a good set of results, my first question is on Carvaan, so PM Modi has been driving all this Make in India so what would be your medium and long-term strategy on sourcing of Carvaan?

Vikram Mehra: Moving more and more to India. We already have one factory in India and we are increasing the amount we will be producing to be more in India.

Abneesh Roy: Second question is on movies. It is mentioned that you would be doing mostly tight budget movie so one is how do you see only a OTT release, is there a significant increase in revenue for IP producers like you? Second will you be doing only streaming movies or you are open to the multiplex whenever things improve in the next two months?

Vikram Mehra: Abneesh if you go by the last three years track record, we are primarily doing films, which are targeted at the digital streaming world. We today have around 12 movies that have been released and all of them are sitting on Netflix and Hotstar, so yes our focus will continue to make movies for the digital world. In the short-term, I do not see too much of people going back into multiplex. We believe that with the strength of a music IP and the kind of things we are able to do within a budget; we are able to provide good content to the platforms. Also remember, in India all these platforms we are the only people who are supplying digital movies; however, everybody else is making only TV series, no other studio in India has been able to provide 12 films to Hotstar and to any digital platform in this country. So we have got a very good reputation built and we will capitalize on it.

Abneesh Roy: One followup question on TV shows, etc., and movies also because of the social distancing norms that are being put in place in the near term so will your costs go up and will that be compensated by broadcasters because broadcasters also struggling a lot and first six months would be a very tough for them so you get compensated for the higher cost?

Vikram Mehra: I have only one broadcaster that I make all my TV serials. TV business and for us Sun TV business functions in two fashion, we pay telecast fee to them and then we provide a content and then that content give us advertising money. The interesting part, which is happening, with more and more digital content getting consumed, we continue to work with Sun TV as a virtual respect. We took this risk, but IP of the content was always with us. Now there's a market developing where people want to dub or people want to subtitle some of the TV serials that we people produce for Sun TV into other languages and which means there is an additional source of revenue coming from the content, which was fully been written off.

Abneesh Roy: Sir my last question is on Sun TV part only so Sun TV has been struggling in terms of ratings in the last two to three years, but last two months it is a significant ramp up, your show itself is number one, so is this a structural thing in your view at least if you could comment on your serial what is driving the ramp up in the Sun TV rating?

Vikram Mehra: I think that will be wrong on my part.

Abneesh Roy: Sir but your own show is just because of differentiated story?

Vikram Mehra: I will say the only answer is our show is doing well not just because of them, we have also put that show on Saregama's YouTube page and it has done extremely well even there. Every episode is garnering more than a million views so it is just a quality of show. Remember we are making content for Sun TV for 20 years and it is the first time we have put up a serial, which is overall number one program, otherwise our programs are typically afternoon time number one programs, hence it is just a quality of show.

Abneesh Roy: Okay that is all for me. Thanks a lot and all the best.

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

Kush Gangar: My first question is on music licensing what would be the user base of 45 compared to other licensing partners JioSaavn, Gaana, etc.?

Vikram Mehra: I cannot comment on this

Kush Gangar: Any public data is available?

Vikram Mehra: I do not think the data is available publically. I think, company consumption is 45 making a big dent in the Indian market. It is one of the biggest global streaming platforms. We are available on Spotify also. We are in this great position where we are available on every platform in India small to big.

Kush Gangar: With the signing of these two deals Spotify and Facebook we were earlier expecting around 15% to 20% growth as it is for music licensing post this also do we see any ramp up in our growth forecast, which we are earlier expecting?

Vikram Mehra: I would have adjusted in my closing statement but let me adjust it here. We are still going to reduced our outlook for the year, our guidance will be 15% to 20% and primarily because I do not see public performance revenue coming back to financial year at all. Highly unlikely that there will be public events happening, concerts happening, which was a source of revenue for us. Second, the revenue in these events are dependent on sponsors who come out with their ads where they end up using our music and pay us a fee. We are seeing some amount of dip happening on that side too. So the streaming business to continue pretty well. Businesses, which are dependent on advertising, may take a hit. Honestly I wish I can give you a concrete answer, but the way these kinds of variables that we have seen these days have never been seen before.

Kush Gangar: Right, so what is the share of public concert and events in our total music licensing, I do not think so it is a substantial portion?

Vikram Mehra: It may not be substantial, but revenue from this segment will become zero because as there is no event happening. I have seen the last two-a-half months, there is nothing happening that is why see if event starts taking off after Diwali onwards for whatever reason we are able to go back and find a cure to or a vaccine. So, even in best case, events between Diwali to New Year is another three-four months from here. If recovery happens that is additional money coming in. Our current guidance is somewhere being 15% to 20%.

Kush Gangar: On Carvaan what is your view on the cost side so I understand an d if you can just highlight what kind of ad spend do we expect, but other than the ad spend our growth margins are around 22%, 23% so what are the levers on the cost side, which will reduce our cost which will help us lower our losses?

Vikram Mehra: The losses in Carvaan was on account of aggressive marketing and the numbers did not take out the way the expected numbers to take off from the first quarter onwards as and all the data kept on telling us that we wanted to move to the smaller towns. From Q1 last year onwards things did not pan out the way we expected, hence no other way but we went out there reduce some marketing spends. This year we are very clear on Carvaan. We are going to be very, very cautious on any investment, which is going in the Carvaan space as far as marketing is concerned. We want because we have no idea of there may be another lockdown coming out there in the few weeks, months we want to be very, very cautious, so we will rely completely on the natural pull from the market and put the stuff out. We are pairing a cost on all sides. On the gross margins level hopefully we should be able to get it back to a 25% margin. The only other big variable is marketing we are cutting it down you will see a much lower level this year.

Kush Gangar: Okay and is it fair to assume this current quarter run rate of 10 Crores odd we assume that or it should be even lower?

Vikram Mehra: All I can tell you right now is the March part has started right now that till the time we are 100% sure our retail networks being open 365 days there is no point going out there and spending a fair amount of money promoting Carvaan. We are fortunate….

Kush Gangar: Not even for a new version?

Vikram Mehra: Even the new version we will allow it, apart from the product version, which are ready sitting with us apart from that we have no plans to do anything dramatic. We will wait and watch, we want to be very, very cautious in Carvaan and because we are lucky enough to have a very strong B2B business in music licensing, TV and films we can afford to go back and continue this way for a few months till the time things just clear out. We do not want to make a mistake second time that we blow large amount of marking money to push the product because there is demand we know, but if the retail network again shuts down two months down the line because of the number of COVID-19 cases going up then we will have problems. We will be very, very cautious quarter by quarter.

Kush Gangar: If you can just highlight a ballpark number for EBITDA margin for music licensing division considering there is no major cost for that division because all the cost would have been incurred till now so what would the EBITDA margin in that it would not be significantly higher?

Vikram Mehra: Significantly higher than what?

Kush Gangar: Double-digit trends are significantly higher than the double-digit or…

Vikram Mehra: Remember the majority of the margin that we are making is coming from music licensing business only and the other businesses are very small and Carvaan did not make money this year so whatever

Kush Gangar: All the EBITDA would be of music licensing?

Vikram Mehra: It is upwards of 50%.

Kush Gangar: What is the outlook on divisions, including TV, considering there would be lockdown, and so do we see any impact on number of films, which we can monetize for FY2021?

Vikram Mehra: Yes, there may be an impact, the good part is that the shoots are starting now both in Tamil Nadu as well as in Northern part of the country and on films our policy now is very, very clear, we are taking films by and large if there is a pre-order. Yoodlee films we made films on our own and then sell it. Now we are in a position where we can get preorders. Last year were all preorders, so the risk factor is going to be relatively low for going into losses. But if there's another four months of lockdown for whatever reason, the topline will get affected that risk is always there. We will hopefully not be in a position where we start shooting and then not knowing how to sell the movie.

Kush Gangar: Thanks.

Moderator: Thank you. The next question is from the line of the Bhupendra Tiwari from ICICI Securities. Please go ahead.

Bhupendra Tiwari: So basically just wanted to understand few things, there was an article few months back if I remember correctly that we were also considering getting into this limited web series kind of part and I understand that the tail of that kind of a web series gives, there is a consistent season and all those things putting in and once that starts are we kind of thinking on those kinds of terms to bring in your IP in the web series kind of a thing that is my first question?

Vikram Mehra: So let me answer this question. When we started Yoodlee we have no reputations of making high-quality stuff for digital world we were only TV serial maker. With the films we have been able to establish a reputation very well, so now it becomes easier to hope to have a conversation on the series part, remember series are always a much higher budget game, the digital films are not that expensive, so yes there is a lot of work, which has happened during the lockdown period also to give final touches to multiple projects. Do we have a project in our hand? …No, there is lot of effort going toward that side.

Bhupendra Tiwari: Alright I think that is pretty useful. Second part I just wanted to understand that in that TV thing that because of lockdown there must have been no shooting and have you seen that kind of thing pickup and like you said you had 15% to 20% kind of a review of guidance that is hoping that in terms of the streaming kind of a business, what is our outlook for the TV and this content part of business for this year if we could?

Vikram Mehra: On the TV part, we have lost two months of revenues let me be very honest about it. April-May, the only revenue we have made by putting those series, now we are putting all that content on YouTube, we are also finding ways to put it on Facebook and we are looking at giving the remake rights in various languages so we are finding alternate ways, but the main part, which is the news before being put on Sun TV yes we have lost that. We hope right now that for the year we should be maybe we may not be able to touch the topline number or because these two months has to be recovered from somewhere, but hopefully on the bottomline number with all the other initiative we are carrying out we should be at least able to hold this year's profitability.

Bhupendra Tiwari: Thank you Vikram.

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

Ravi Naredi: Sir we have seen the financial asset side investment was Rs.75 Crores versus Rs.148 Crores so what the amount has been reduced?

Vikram Mehra: Actually the shares we have with group companies and which we fair value on every reporting date, so this is actually mark to market, so what amount you are using is all investment in CSE and the associated companies.

Ravi Naredi: What is the cost of Karaoke you are searching for launching this new product?

Vikram Mehra: Sir I will announce it once it is closer to the retail launch, obviously like all other Carvaan variance, this one also has there is no subsidy. But let us come closer to the launch we will tell you because I do not think we are launching it in a rush in this kind of a market.

Ravi Naredi: Okay, so when are we going to plan this launching this year 2021 financial year or may be delay?

Vikram Mehra: We do want to launch it in 2021, but I was going to wait and watch a bit, do not want to make the mistake of putting the mark product in the market and then make no noise or put it in the market make some noise and then realize the market again went to lockdown. This year for us is a year of caution, we want to handle all our steps in a much more cautious and gingerly fashion, while at the same time ensuring that with more and more people sitting at home and consuming content. Our IP sitting everywhere so that it monetizes better for us, all Investments we are going to be very, very cautious.

Ravi Naredi: All the best Sir.

Moderator: Thank you. The next question is from the line of Sharan Sadarangani. Please go ahead.

Sharan Sadarangani: I have a couple of questions, one is the Saregama product that you have the device Apple who is able to do is once they had the iPod and subsequently the iPhone they built an ecosystem and a subscription so I was just wondering like what is the long-term strategy with Carvaan going forward because it is a great product it has many users so can we leverage that in some way to create this ecosystem similarly like Apple?

Vikram Mehra: As I stated earlier, the thought process of Carvaan came from the fact that how do I make my catalog music easily accessible to the mid-aged and the older people that was the genesis of Carvaan. The thought process of Carvaan was to monetize them using IP better. It took a shape of a standalone product with a very decent success. As we are moving ahead, we are transforming Carvaan from a standalone product (where we make only upfront margins) to a platform where there is a potential to make margins from the consumer on an ongoing basis either through advertising or subscription. For the newer Carvaan, which is the latest version called Carvaan 2.0 supports a return path through which we can customize the content we offer to each of the consumers and this content gets updated by the hour, by the minute if you people want. Earlier we started only with music, which is owned by us that was what was uploaded, now we have opened it to music owned by our music, which from other party wants to put up on a variable basis. Not just music it is a lot of content getting put out there, which is in the lifestyle entertainment, news segment too. We are seeing decent traction of the usage of this content because now we can track it on a daily basis. So, our hope is Carvaan has been selling primarily to the 35 plus age group on the convenience of usage. We ensure that the same thing gets transformed to the platform, (continue taking this 35 plus age group) giving not just new pre-loaded music, but a constant spree of other content. The return path processor, which is put in the Carvaan is also capable of video processing so there is a lot more that can be done in the days to come on this platform

Sharan Sadarangani: The idea is not just to make that now you get this loss but the idea is not just to make a margin on the device itself, but also to ensure get some kind of a revenue stream from all the existing devices that are out there either through advertising?

Vikram Mehra: Yes, and no, so broadly you are right but the devices, which are sitting out there in the market today, do not have the return path capability.

Sharan Sadarangani: But the ones with 2.0, the ones?

Vikram Mehra: Yes, we will not follow the DTH model, which subsidizes the set top box that comes into your home and then make money in the long run. We intend to make a gross margin when you buy the product and find a way to make money from you through advertising or subscription by being your preferred partner for accessing content in the most convenient fashion. Will we ever try to compete with television? No we have no such intentions. This is a more personal device you see lot of people it is just a shared convenience of listening something through Carvaan, which makes it so appealing. We will keep on harnessing that ability of the product while we move to our platform.

Sharan Sadarangani: Sure and my last question was on the films that you produce and that you supply do digital OTTs like Hotstar, Amazon what is the margin typically and you got some sort of an upside let us say the film does really well on their platform in terms of eyeballs or it is just the cost plus fix margin when you get a preorder it is fixed at that price and then the transaction is done?

Vikram Mehra: The way our deals happen with the Netflix or Hotstar is that we license movie to them for any period from three to five years and if the movies are an original then we license it for a slightly longer duration. This can be for only digital or both, based on which country are we giving this movie rights to, so every deal is different. There is a flat fee, which gets agreed for the license value. No, we do not get any upside if the movie is doing all that well. The way all the deals today on the video OTT platforms are functioning unlike the audio OTT, which are done on a variable with MG, the video OTT deals are practically all fixed series.

Sharan Sadarangani: Okay that was my final and last question. Thank you.

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

Jaideep Merchant: Vikram you have indicated that marketing spends will be substantially lower this year now given that and also because you have been spending on average Rs.9500 Crores in the last two years and given that there is unlikely to be any movie write-offs this year in the marketing spend as well, is my understanding correct?

Vikram Mehra: No, I am expecting there are three to four movies rights with us, if the movies do get released this year there will be marketing spends of movies that will happen and I wish I thought they happen because we need more and more new content, but the fact is so I am not ruling out some of the bigger budget movies getting released in this year maybe starting Diwali.

Jaideep Merchant: Okay and if we have substantially lower I am just throwing the number say the marketing spend is down by 50% this year does that mean that the impact on the bottomline will be significantly higher given that Carvaan sale was not contributing at a net level too much at least in the last six months, so we will see the EBIT margin of the music business moving closer to that 50%, 55% debt you have been talking about?

Vikram Mehra: The problem is how do we define this significantly higher term. Directionally we are clear, last year same time I was clear and I was talking to you guys that we wanted to invest heavily in the Carvaan business, this year very clear we see a lot of uncertainty in front of us on the retail business we have no intention to spend, we will rely only a natural pool. We also understand two months' revenue is completely wiped out both for Carvaan and for televisions business so far, so there is some amount of push and pulls, which are going in here. All I can say that as for the year is concerned at the overall PBT level have an optimistic view we do not have a pessimistic view. We expect it to improve.

Jaideep Merchant: Okay and last question so what was the learning on the marketing side while doing Carvaan, which means they do differently once things become normal now?

Vikram Mehra: Honestly speaking, if you ask me sitting in the same position I think I would have done the same thing once again because we were in numbers for shaping up. We did not realize the kind of downturn in the first quarter last year saw we were not expecting that; our entire focus was that we should start moving to smaller towns because larger towns are the only thing we people have focused and got our numbers from. The other part you see us doing is that there may be a little bigger push on the lower priced Carvaan, meaning, in the days to come whenever we people start pushing it out there that maybe the only thing I can say right or maybe we will do different that we are relying only on the bigger product and second maybe this entire return path capability should have been pushed a little stronger rather than being a niche concept during the first two quarters of the last year. I am very clear, as a management team we believe in this as a product and this transitioning into a very strong platform. We do not want to subsidize this part of the business that is not our intent to build for future. We want it to be to stand on its own feet, so the fact that what happened in the last quarter of Carvaan was a disappointment to us also, and we now will take all the efforts that does not get repeated this year.

Jaideep Merchant: Okay so we can go to 90,000 Crs again FY2021 may be if things are normal?

Vikram Mehra: For the FY2020-2021 with so much uncertainty I am still telling you we people are bullish.

Jaideep Merchant: FY2022 things may go back to normal?

Vikram Mehra: Yes, when things go to normal, lot will change. Music licensing business is looking stronger and stronger and other part remember this which I wanted to cover in my closing part the one big variable that all of us do not know is all the guidelines, which are coming from Government in India and abroad are saying that people above the age of 60-65 should continue staying at home, which means, a largest opportunity getting created where more and more people who are just the plum segment for Carvaan will be sitting at home and if this position product get start permeating much and more out there in the market there may be a large amount of take off happening. So we are trying a new distribution strategy, it’s not an expensive just a different kind of a network, which can get us entry inside the homes of people Let it get launched. Hopefully I will talk about it during my next call with some experience. If that works, it just ensures that we are entering homes to demonstrate the product in the homes where you have somebody above the age of 60. But we are not going to blow marketing money hoping for an upside to come this year.

Jaideep Merchant: Thank you very much.

Moderator: Thank you. The next question is from the line of Ayaz Motiwala from Nivalis Partners. Please go ahead.

Ayaz Motiwala: Thank you for the presentation and some of the comments were very helpful and rather appreciating your change in business model. I have two questions one is on your music business closing March 2020 you had a revenue of Rs.444 Crores as you reported, could you share the breakup between the music licensing within that and the other businesses?

Vikram Mehra: You want the difference between right now the Carvaan retail business of us right now and the music licensing?

Ayaz Motiwala: Basically yes what you call it sort of the B2B and other licensing business and the kind of B2C business of devices and otherwise.

Vikram Mehra: It is part of our corporate presentation and the longer presentation we have updated.

Ayaz Motiwala: Actually the presentation in the BSE website?

Vikram Mehra; It is 239 for licensing and 201 for Carvaan.

Ayaz Motiwala: Thank you that is great and as a built up on what you have shared is the B2B licensing business is also looking up a lot interesting as you said, we will try to place that in the OTT series apart from advertisements, which in the short-term might be affected, but they look interesting in the medium to long-term?

Vikram Mehra: If we follow Netflix and Hotstar it will be difficult to find a series where something or either of us is not getting used to. Latest movie “Extraction”, which has just come out or it is Bangladesh based “four more shots”, you name it and our music is sitting in out there and if you see Delhi Crime some 38 instances of a song were used, more and more video content getting made means greater opportunities for people who own a majority of India’s music catalog. We have better ways to monetize.

Ayaz Motiwala: My question on that was how do you look at pricing on the B2B side of your relationships with Hotstar or the newer ones Hotstar, Netflix, etc., and then the path users of your content, which could be the consumer companies or media companies otherwise, how do you look at pricing because one the unique content, which is not replicable in these kinds of times, which is just here and now, but on a strategic basis can you sort of share on how pricing it behaves?

Vikram Mehra: The structure how does the deals happen. There are two ways in which music is getting monetized two very broadways as I must say, one way as a user you listen to my phone, which is what a Spotify or Jio or Gaana is all about, you go to the app, you listen to the song, all our audio OTT deals where the full songs are based out there and people listen to it or every time my song is heard I get a variable fee of Rs.0.10 and the overall deal is protected through a minimum guarantee, but when other use of music is their music is synced means something else was going on the video and our song is also making an entry, it may be a protagonist is singing my song, the moment you are going to say that there is a license that needs to be taken, maybe somebody moving in a car right now and the song is playing in the background right now, which belongs to us maybe that is it a title track right now, which is used out there, maybe there is a party sequence going on right now and somebody does a cover version mind, all these things are what we call as a publishing revenue internally, these are by and large fixed fee deals where rights have given across basis the number of years they want and number of platforms we want. We break the rights of you not everybody gets digital and television, additional television are treated to differently within digital also India territory and outside India treated separately within that also our duty of the rights only for one platform say Amazon or do you get rights right now for all digital platforms in India so rights are broken in various ways and you are right if you want a particular song there is no replacement of that song so if you are depicting a situation right now where the song fits thumb best that is it obviously we are sure brand right now and you want a song and better Gaana is difficult for you to go back and get and then negotiation happen that way.

Ayaz Motiwala: Right, the reason because I am asking this question is that before the Carvaan launched in a few years back also your revenues are pretty steady at Rs.125-150 odd Crores, which I am assuming would be the core licensing business revenue B2B as you called it anything in detail so my desire to understand this pricing is that the world has changed a lot in the last five to eight years in the way people like us access content so if that is becoming so material have you earned more pricing power in the market and are you sort of going to exert that to make your own money is out of what you have, which is the very solid rich idea of content?

Vikram Mehra: The numbers that you spoke about are closer to the number. If I go by your numbers, you are right in terms of numbers 120 odd Crores becoming 240 Crores and 120 Crores, 60% to 70% is to come out of caller ring back tone business, which will become 0. Literally taking non-caller ring back tone business has grown from numbers roughly around 40 Crores to 240 Crores in what period of four years so I think answer is there in front of you.

Ayaz Motiwala: Because the way the time is going I am sorry on your cost side Sir can you share your immediate exercise that you want to take on cost control, which you can this quarter of the reported quarter or the ongoing quarter on the COVID crisis and in the medium to long term your employee and other costs are some of the key cause, which have been there and they seem to be very sticky and fit so can you throw some light on that what aspect our employee costs are you working on considering you are such an electronic link business?

Vikram Mehra: Majority of the employee cost is in the Carvaan cost because of distribution network across the country to deliver it. We are not going to our profitability by cutting costs in dramatic fashion. We are in a very good position to exploit this data explosion and people spending more time at their homes we will make our money through that. It is only on Carvaan we are being cautious because we are as not bullish in Carvaan as we were one year back, it is just that in this current year with market lockdowns maybe becoming a reality we do not want to take any funds there, we rather prefer to defer everything by a few months or quarter rather than take marketing bets here, so you will see a significantly reducing marketing budget side.

Mukti Lal: If I can ask one last final question, which is you talked about to a question asked earlier that we could potentially look at on a reverse flow and opening it up as a platform where others want to offer their content on Carvaan as well, now if that were to get a little bit of success would you be competing with JioSaavn or the others including Spotify you kind of become also an aggregating platform while it sounds very good to us as prospect because they are ultimately your customers right now so will they feel that you are competing for the same set of customers that affect your business on the B2B content?

Vikram Mehra: Let us understand at the end of the day presentation year after year we always say we are content IP company everything else is secondary to that. For us we start with IP end with IP. Carvaan was launched to ensure that the older forms also get a fair value because we were realizing that the digital platforms in 2014-15 were only interested in pushing newer content to this 18-year-old kids, everybody was about the age of 30 to 35 and not getting access to the content so that shows you where the prioritization is sitting in. Second part we will never become a compete with this aggregator because we have no intentions of ever going out there and saying that please give me your content it is a label and I will pay you flat fee for it we have no such intent. There may be specific kinds of content owner who may come to us and say can we also put up a content, no money is going to be guaranteed from our side if at all there is advertising it will come in. If you ask me personally I see more and more of non-music content getting added by us in the days to come on the broadcasting platform, but are we hoping to the idea that a very niche label somewhere goes back and say can I offer my content. A good example is now Art of Living content, there is a Carvaan, which has been made only for Art of Living content that is not a music business at all it is altogether different business that we are talking about, but there may be a play out there for this kind of content too.

Moderator: Thank you. The next question is from the line of Manoj Shah. Please go ahead.

Manoj Shah: My question is with respect to Carvaan sales looking at the presentation, second quarter of FY2019 onwards there has been a broad range between 200 to 250 kind of things spanning around six to seven quarters, eight quarters you can say, so why it is stagnating on that why you are not able to push it beyond that range, and second question is irrespective of music business normally the budget you spend on this kind of OTT and what kind of risk you see, it may be business as usual then how you are looking other businesses in OTT movies?

Vikram Mehra: Let me answer the first one. This was the third year of Carvaan we started Carvaan with some 350000 to 370000 odd units when we closed the year one. When we touched second year around 900000 and that is what the intent in the year three to take the numbers higher, all the data was indicating there is a large jump and the first two years are primarily coming out of the larger top 10 towns. The intent in the year three was to take it to the smaller towns. We started up fronting our marketing budgets. We were not getting traction because very clearly we were getting the messages there are not enough footfalls coming to the electronic stores. If you check not just ours, checkout anybody who has been there in the electronic business last financial year they will have a similar story to go back and say. The economy started seeing a downturn so we invested for the first two quarters and then we started taking our foot off the pedal thinking that maybe it is a wrong timing, which is going in and we should not invest. Our intent clearly we know there is a potential market beyond the top 10 towns. The moment market opens up and we believe that if the market is back into a steady state you will see us going back and pushing Carvaan. The good part is, by that time, hopefully, we will give Carvaan the platform, which will give us a sustainable recurring source of revenue also. In respective of second question that you asked on OTT part the risks were higher in year one because we were making movies and then hoping that we will go back and sell it. From year two onwards, we started building a reputation and we became very significant where we are getting three orders. So, the three movies that have gone to Hotstar all were preordered by them so they were zero risk that we were working on and we will see going forward doing more and more movies based on a pre-commitment by a platform and that is possible because we have a reputation now.

Manoj Shah: You are saying you will create users for them based on the orders given to you, but do you get any upside in terms if the movie does well or how does it go, whatever upside is taken by the OTT?

Vikram Mehra: Video OTT and television business. In India whenever anybody sells a movie from the top producer to anyone to television or digital OTT there is no upside it is a flat fee, the model that works out not just in India globally. For video the model at this juncture is working out there right now by and large on a flat fee basis, we license your content to a channel or a platform for a fixed number of years, for a fixed territory and you get a flat fee upfront right now so that is what you asked right?

Manoj Shah: Yes, because if somebody has given you an order you convinced it and you gave it to him and he gave you the fixed amount is that correct and when the movie does well or it bombs out in the OTT platform it does not affect you is that correct?

Vikram Mehra: Factually correct remember that IP is retained by us so the moment a movie starts tracking better, if we have not sold all the rights right now to the platform, which is majority of the cases we can go back and monetize those rights in other territories far better. If you have sold digital rights we can monetize the TV rights far better, if we have sold rights for three years then the renewal will come in the year four we can monetize it far better.

Manoj Shah: Sir if I have understood correctly if you get a movie and you have given OTT player will run on some three years or five years he will display it and after that you have the IP rights or the content rights for that movie and then you can encash it based on video content is that correct?

Vikram Mehra: When I am giving the digital rights I am not giving away the TV rights; I still maintain the TV rights I can give it to anyone I am not giving away the airline rights. Even on digital rights many of the deals we do is only India exclusively. Outside India, it is non-exclusive so I can give those rights to other competing platforms in specific countries. The music rights are never given across they are always maintained by us to keep on monetizing it.

Manoj Shah: You are saying rights are based on platform, region wise, country wise so you can divide it, customize it depending on all this and the deal can be customized?

Vikram Mehra: Yes, and directionally in year one we were doing our deals with the buyer far stronger. We had no reputation so there are times we may have gone on and incurred a little bit of losses also in our movies. Now as the reputation starts building up, we are able to go back and charge a premium it is never a cost plus model. Philosophically new cost plus depends on the reputation with which you are going and the quality of the content you are creating. We are in a position if you have return profits this year it is just that.

Manoj Shah: My question is does the movie business skipping the other businesses suppose you make movies for OTT players and you incur loss whatever that could be the reason, so my question is how that can be minimized is that really that way that if the movie does not work out then you incur a loss kind of it so you may have a volatility in that?

Vikram Mehra: That happens only if I make a movie and then hope right now whether I can sell it or not. As I mentioned to you right in the beginning if you were seeing form the year internationally 2019-2020 and it will continue forward right now, our more and more focus is about we people pitching an idea to a platform with the platform is agreeing to that idea ready to buy then we go ahead and make the movie keeps them coming down significantly.

Manoj Shah: Okay. Thank you very much.

Moderator: Thank you. The next question is from the line of Govind Chellappa. Please go ahead.

Govind Chellappa: I had a couple of questions, one on licensing, two subparts, one could you update us on the status of the case on Section 31D of Copyright Act what is the status and what is your personal view on how things pan out there, the second subpart is if you remember the FM radio royalty is up for renegotiation sometime this year for the 20-year period close to 62% and sometimes this way if I am not wrong, so what is the status on that, that is the first question, the second question is on open magazine and we are always hoping that you will do something about it and you have not mentioned anything about it so I would like your thoughts on that especially in this environment when listen to news will be extremely challenging?

Vikram Mehra: Let me address your first two questions that you said. The current status of Section 31D is in the High Court, Bombay High Court has ruled in favor of this case. The case that happened between Tips and Airtel Wynk whereby Airtel Wynk was trying to impose a 31D condition and High Court ruling has been that 31D is not applicable on digital platforms it is a ruling, which is applicable only for broadcast platforms that is the current status. At this juncture I personally feel no major issue happening since it is something which is legally fought. I will not like to comment, but principally we do not see any issue, we have great relationship going on, there has never been a 31D issue coming across to us, but the law of the land today the last High Court ruling says OTT cannot get covered in the 31D. FM was covered under 2% of the topline only has to be paid by the radio stations, this was a ruling, which is getting over in September. We all are trying to file the petition to the government and see how can we work on and improve the rate because there was a time when FM needed lot of handholding, we believe today FM industry is bigger than the music industry, so music industry should get its fair value. All my projections that I am making are independent on what happens on the FM side. We will know from October onwards, there is a copyright board if the copyright board comes in place both radios will try to put up their case and we may try to put up a case and as usual the best man win.

Govind Chellappa: Sir what is the global benchmark?

Vikram Mehra: It varies from country to country there is no standard bar, which happens in many of the countries. Also remember nowhere else is so much of dependence only on music for FM station to go back and work on. The amount of talk shows and all the other things that happened are very, very high. In India there is a much larger dependence on music and different countries have different preferential. Actually it is status quo on open magazine let me just put it this way.

Govind Chellappa: Thank you.

Moderator: Thank you. Next question is from the line of Sunny Shah, an individual investor. Please go ahead.

Sunny Shah: Congratulations on your deal with one is Spotify and Facebook, it was a very different model from what I understand, one is that what kind of deal do we have with both of them in terms of revenue picture and I believe that most of these agreements are in line with some variable impact so how does it work out and what about the cash flow, the cash flow is it a bullet repayment or onetime payment?

Vikram Mehra: You are asking me specific details about the deal, which you know I cannot disclose, but I can tell you, all the deals where we are putting up the entire song on a platform for a consumer to listen to the song, which is the likes of Spotify, Gaana, Saavn. they are all in the nature of every time somebody listens to my phone I get paid 10 paisa, if there is any advertising coming on that song I get a share of that. If platform makes subscription revenue, I get a share on that and all these are protected by a minimum guarantee. All our audio OTT streaming deals and there are multiple from Spotify, JioSaavn, Gaana, Apple, Amazon, Google, Airtel Wynk, Hungama in India and then you are talking about global deals all are working on this structure. The other kind of deals is where the platform does not put the entire song for the people to listen. The platform is allowing people to create their own videos and put third party audio content in it, which is a kind of deals, which YouTube, Facebook, TikTok that is a second kind of a deal and some of those deals are fixed fee in nature, some of those deals are variable with minimum guarantee in nature. What it also does is it works in a nice feeding cycle that as more and more people listen to music and I am already seeing a big impact of that in TikTok as people listen to see videos, which are song and is getting used they end up going to another platform start listening to that song, so that is another big advantage apart from these financial deals we have out here. We will see this content getting out more and more often and hence we both will feed on to each other publishing business will feed on to OTT and OTT will keep on feeding to publishing.

Sunny Shah: Alright. Coming on to the next question as you just said before that all your audio OTT deals are having variable impact and there is an upside to it, these are very specific compared with the video OTTs, Netflix or Hotstar where you are saying that you have a complete out and out deal although the IP remains with us, but there is no variable upside to it, is this is a situation with every content player in the industry and is there any change maybe happening looking if there is a repeat view and may be if we establish our goodwill with these OTT platforms and we have a good bouquet is there a possibility that variable impact could be inserted in these deals or there is no scope?

Vikram Mehra: Obviously we will be very, very keen that these kinds of deals also start having a variable part. Today the way industry is structured unfortunately for all content players and for all platforms the nature of the deals is fixed fee. The only place where we have lot of flexibility is on the medium and territories and we people play there much more significantly than we are able to do on this variable side. Let us see, which way things are going to move the good part is if one content company is enjoying it all content companies will.

Sunny Shah: Okay one more question, what I have been seeing over the years from a music company to a physical sales, which is Carvaan we are having side by side although we are not really dependent on that particular segment too much I also see that we are also moving to a video base as you said we are creating movies, which can be used on this platform so what I could see from the presentation is that we are targeting 50 movies in the next three to four years and if I am not wrong we are somewhere close to 10 to 15 so how do we look at it because we have just started in last two years or so and in the next two years do you feel that the 50 movie releases is it really workable or is it too stretchy target?

Vikram Mehra: We have already released 12 films so far and one gets every episode of a series equivalent literally to a film in terms of budget. So directionally we are very clear we want to have a decent play on the video IP business. We always have been maintaining that as devices become more powerful people end up and data call being low. Things like COVID-19 ensure that more and more people have got started consuming content through digital app all this is going to make huge potential viewing opportunity sitting in front of us in the days to come and we do to want to restrict ourselves only to audio IP or the short format TV content kind of IP, but also work on the longer format, but by and large content, which has to consumed on the digital side we are not having a big play at this juncture thinking of doing theatrical stuff.

Sunny Shah: That is, it. Thanks for all the clarification. Thanks a lot.

Moderator: Thank you. The last question is from the line of Ayaz Motiwala from Nivalis Partners. Please go ahead.

Ayaz Motiwala: Thank you for the opportunity again. Just a couple of questions. One was on the cost control side, you said we are looking at life on a more positive basis not looking at a cutting employees cost as such, my focus was more on the business model itself is transforming Sir like you pointed out more towards video content creation, etc., so what is your cost currently, can you elaborate on what can be the cost outlook over the next two to three years if you start making other type of content versus the cost saving part of it that we have had, and the second one was on the FM side, which I wanted to know you said that it is coming up for renewal in September 2020 if I heard it correctly so if you can clarify that I did not catch that?

Vikram Mehra: Let me address FM first. There was a court ruling in India, which all of us governed by under which for the last 10 years FM stations were supposed to pay 2% of their topline from radio business across to the content music labels. From October onwards new tariff is going to get applicable, there is obviously a lot of work happening to get a fair value for our content. Directly, there is nothing I can add out here. Coming to your first part on the cost part if you remember while we people are focusing on video IP also we are not taking attention from audio IP. Audio IP is the long term value the repeat usage is highest for audio content; this is the improvement globally multiple times. Video content does not have that longer shelf like movies. Movies have much longer shelf life than a TV series. In the top two factors: music has the repeat value going in it. It is said that the music that you hear from the age of 16 to 22 is the music that stays with you till the time you are kicking the bucket. So we understand that the life is very, very long for music so we will constantly keep on investing in music much more aggressively. On video side, we are taking cautious steps, we took a baby step by launching films and doing a smaller number of films, we expanding it, we will take films only if there are preorders coming. Like on the films business we do not get people on our pay rolls we get people on contracts only. If there is a film, an individual gets hired. Apart from a very small core team everybody else is on a variable basis, they come in when a film is there, film is not there they are not on it, so that work will keep on happening. Overall, on the cost cutting side, this year we want to be conservative in Carvaan rather than aggressive. So, wherever we believe that we can push the cost or trim the cost, which is primarily on marketing and some amount on manpower we will do it.

Ayaz Motiwala: Okay that is excellent Sir. Thank you very much. I have a few more things, which I will follow up separately. I wish you all the very best to you and your team. Thank you.

Moderator: Thank you. I now hand the conference over to Mr. Vikram Mehra for closing comments.

Vikram Mehra: Hi once again I end up repeating most of the stuff. We as a management team we are bullish on this financial year in spite of the fact that the first two months have just gone by for two of our businesses. We are still overall maintaining optimistic year. We believe music licensing business will continue to grow as more and more people start sitting at home they will end up consuming more and more content both in terms of audio and video. We will continue with our investment on the music content side whether it is Hindi or Tamil or Bhojpuri or Punjabi. There will be less Bollywood movies getting released this year. Hopefully the investments we are making in other languages which is non-film content, we should be able to hold a position. Our approach on Carvaan this year is going to be extremely cautious it is wait and watch, you want to be reasonably confident that the retail markets are opening for sure and will continue remain opened before we start making any major move, this rely more on inherent market demand for the product and play around with the distribution network strategy maybe to create alternate channels through which we can reach out to the consumer home. On film side, this year our focus will continue be on taking pre-approves film and then only we spent money on it. We are focusing a lot on series this year and we are hoping that we should be able to grab a series we will watch. On the television we have lost two months of revenues for April and May because no new episodes have been put up, but overall we hope that we should be able to maintain by and large the bottomline that we wrote on the television last year, in FY21 too. Thank you Ladies and gentlemen right now and hopefully we all will have even better 2021. Thank you.

Moderator: Thank you. On behalf of ICICI Securities that concludes this conference. Thank you for joining us and you may now disconnect your lines.