RP - Sanjiv Goenka Group

saregama
soul of India

SAREGAMA INDIA LIMITED

MUSIC • FILMS • WEB-TV SERIES

CONTENT IP
THE GROWTH DRIVER

ANNUAL REPORT 2018-19

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Sanjiv Goenka
(DIN: 00074796)
Chairman
(Non-Executive)

Mrs. Preeti Goenka
(DIN: 05199069)
Non-Executive Director

Mrs. Avarna Jain
(DIN: 02106305)
Non-Executive Director
(w.e.f. May 29, 2018)

Mr. Umang Kanoria
(DIN: 00081108)
Non-Executive Independent Director

Mr. Santanu Bhattacharya
(DIN: 01794958)
Non-Executive Independent Director

Mr. Arindam Sarkar
(DIN: 06938957)
Non-Executive Independent Director

Mr. Noshir Naval Framjee
(DIN: 01646640)
Non-Executive Independent Director

Mr. Vikram Mehra
(DIN: 03556680)
Managing Director

Chief Financial Officer - Mr. Vineet Garg

Company Secretary - Ms. Kamana Khetan

Registered office
33, Jessore Road, Dum Dum, Kolkata - 700028, West Bengal.
Phone: (033) 2551 2984, 4773
e-mail: co.sec@saregama.com
CIN : L22213WB1946PLC014346
Website : www.saregama.com

Statutory Auditor
BSR and Co. LLP, Chartered Accountants
(ICAI Firm Registration Number - 101248W/W-100022)

Internal Auditor
Ernst and Young LLP

Secretarial Auditor
MR & Associates

Legal Advisor
Khaitan & Company

Registrars and Share Transfer Agent
MCS Share Transfer Agent Ltd., 12/1/5, Manoharpukur Road,
Kolkata - 700026, West Bengal.

Bankers
United Bank of India
State Bank of India
ICICI Bank Limited

Regional Offices
2, Chowringhee Approach, Kolkata - 700 072
Phone : (033) 6550 2113
Fax No. : (033) 2212 8911

2nd Floor, Spencer Building, 30, Forjett Street,
Grant Road (W), Mumbai - 400 036
Phone : (022) 6688 6200

A-62, 1st Floor, FIEE Complex, Okhla Industrial Area, Phase - II,
New Delhi - 110 020
Phone : (011) 4051 9759

Door No. 2, 3, 4 & 5, 3rd Floor, Kasi Arcade,
No. 116, Thyagaraya Road, T. Nagar, Chennai - 600017
Phone : 044 -28151669 / 28151670 / 28151672 / 28151675

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Pioneer
of Indian Music Industry

Premier
Diversified Content Player

India's oldest
music label

India's youngest
film studio

Content IP rights of
120,000+
songs

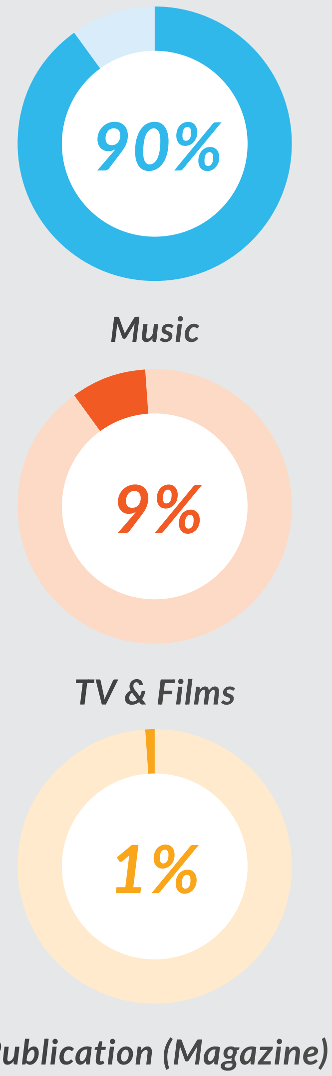
Content IP rights of
5,700+
hours of television serials

Content IP rights of
20+
movies

Revolutionary digital audio player Carvaan with
5,000
pre-loaded songs

Licensing agreements across
all media platforms globally

Segmental Revenue Breakup Consolidate FY19



COMPANY STRATEGY

Rising Smartphone Ownership 450-500 Mn	Falling Piracy	Falling Data Prices >INR 3/GB	Rising Individual based content

Content Consumption thru Legal means Going Up

Indian Internet users spend 21.5 hours listening to music every week. 5 B music streams in December '18	325M people viewed video online in 2018 growing @25%	Average 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

20 Films IP
+
50 New Films over next 3 years

5700+ hrs of Tamil serial content IP
+
1800 hours of new content over next 3 yrs

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

Company's Strategy

Monetisation of Existing IP

- Through greater presence on all 3rd party digital and TV platforms
- Continuous innovation around Carvaan branded physical products with embedded music
- Strengthening of copyright societies

Building of New IP

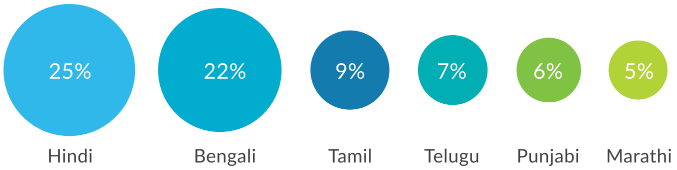
- New film music acquisition across Hindi, Tamil and Punjabi languages
- Producing Thematic films, with Story as the only hero, targeted at youth with primary exposure on digital platforms in large numbers with assembly line production

BUSINESS OVERVIEW

SAREGAMA'S MUSIC SEGMENT: CONTENT IP LIBRARY

Saregama is the oldest music label in India, with the largest library of song intellectual property rights under its bouquet. A typical movie has 5 songs. Assuming a music label acquires 1,000 movies in an year, it will get 5,000 songs. By comparison Saregama owns 120,000 songs, each digitised with rich meta data behind it, which helps to digitally manage and organize the library, giving Saregama a big competitive advantage in its monetisation.

Diversified Library

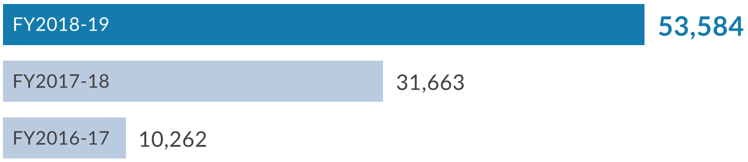


Song Playout of
5.3 Bn
in a month

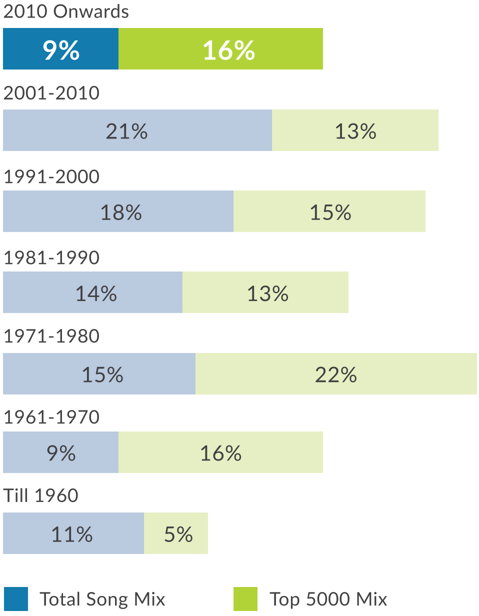
Retro Music
Popularity Growing

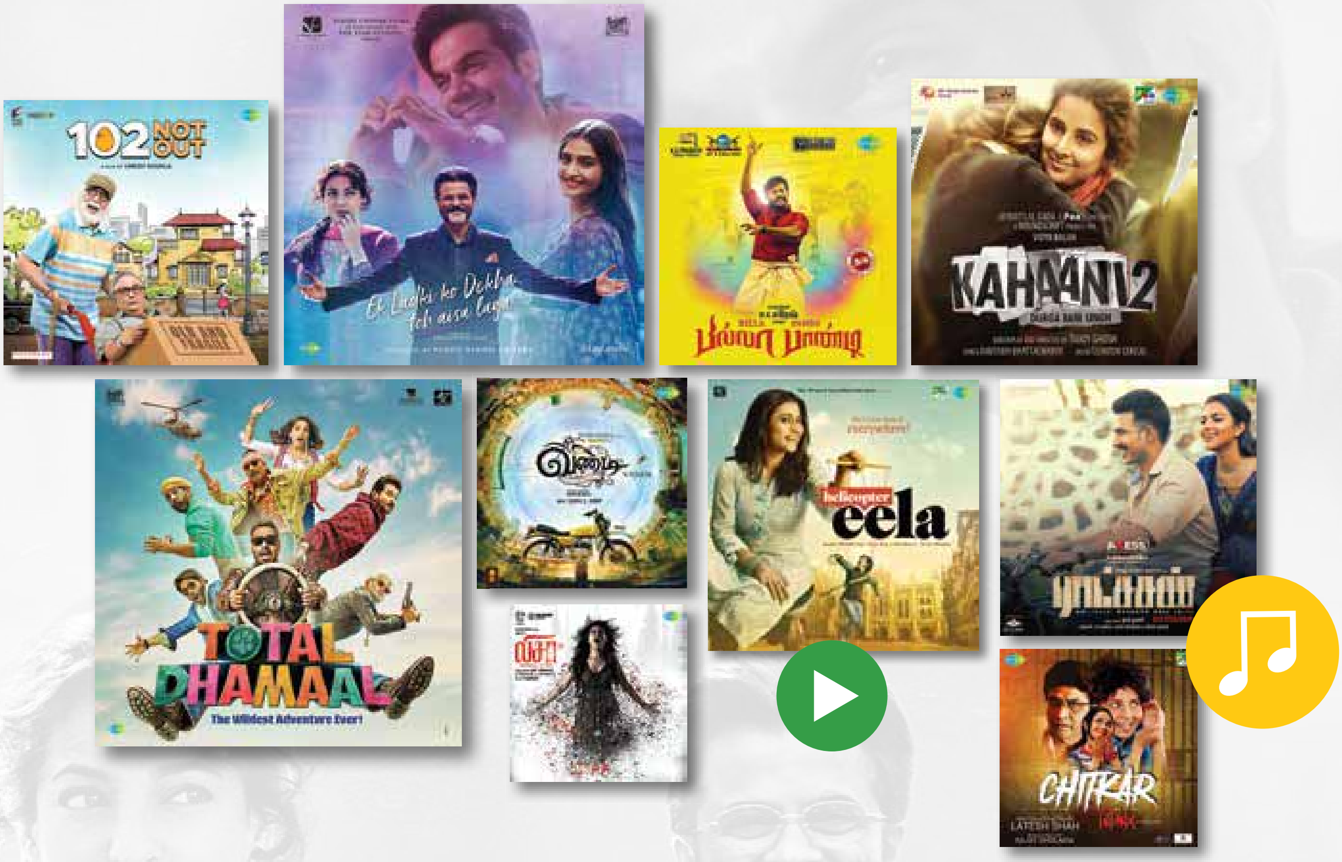
Saregama is the oldest music label in India, with the largest library of songs under its bouquet. Since inception, the company has continued to expand its catalogue to become the largest perpetual owner of Indian music sound recording and publishing (underlying music and lyrics) copyrights across 18 different languages & Classical Music. Saregama not only has the best Retro collection across languages, but also owns a lot of new music. Infact post 90s catalogue constitutes 48% of Saregama's overall library, and 29% of its top 5,000 songs. Our music rights are across global territory and across all media and platforms in perpetuity.

Saregama's Overall catelogue Usage (MN)



Decade wise breakup in consumption of Songs





SAREGAMA'S MUSIC SEGMENT: CONTENT IP CREATION

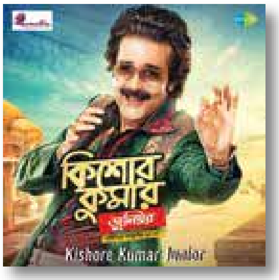
The company has started enhancing its catalogue of Music Intellectual Properties through new film music acquisitions across Hindi, Tamil and Marathi films with careful selection criteria and high focus on monetisation and Return on Investment. The selection process is both scientific and intuitive in nature. It takes into consideration last 3 years track record of the singer, music composer, lyricist, actors, production house and the popularity of the music genre. This is combined by a music listening session by the content and marketing teams. The company also continuously re-interprets existing songs through new age artistes and keep its music alive with the new generation.

SAREGAMA'S MUSIC SEGMENT: CONTENT IP MONETISATION

The company's evergreen catalogue remains the preferred choice for digital platforms, brand advertisements, and general entertainment TV channels films, digital series. Saregama's music IP got used 5.3B times in Jan'19 on OTT platforms, You-Tube videos, radio stations, TV channels, concerts etc.

OTT

Saregama licenses its music to 8 Indian OTT platforms for online streaming. As per FICCI report numbers of streams are growing @ 50% in the FY19 and is expected to continue the momentum. The growth is driven by increase in both number of unique users and number of songs heard per user due to cheaper data availability.

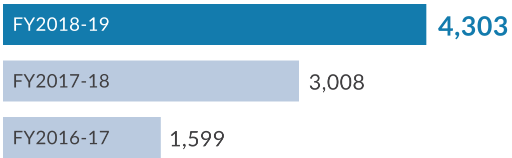


Saregama Music is licensed to

over 45 OTT

Global Platforms as well

Number of OTT Streams (MN)



PUBLISHING

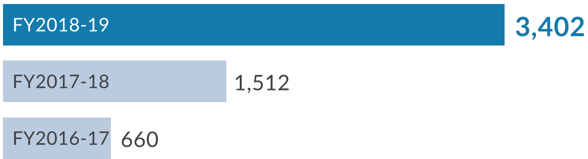
The company Licenses its music to Television Channels to be used in various television serials, reality shows, promotions, etc. and also to Production houses to use music in ads running on Television, Radio, digital including social media. Saregama has created rich meta data behind all its songs making it easier for content creators to find the best song fit for their situation.

YouTube

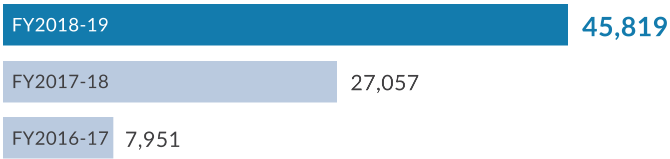
Saregama has 23 channels on YouTube with a subscriber base of over 19 Mn subscribers across its channel. The monthly views on YouTube have grown from 0.5 Mn to 300 Mn in a short span of 4 years for you tube channel view. Most of these views generate advertising revenues which are shared by Youtube in a fixed ration. This also applies to advertising running on 3rd party content that is using any of Saregama's IP (song, lyrics, music composition, dialogues) within the video. Saregama has a team of content experts who constantly monitor usage of its content by 3rd party videos across social platforms and apps. The content utilisation on this has also increased from 8 Bn to 46 Bn in 3 years. This is also a proof of the rising popularity of Saregama's catalogue and new content.

Leading
Videos on Youtube

YT Channels Views (MN)



YT Other Views (MN)



Societies

Saregama also licenses its music library for Public Performance to a collective body called PPL. This society is responsible for monetisation of library from issuing license for Playing of music in public places & premises and/or by commercial and other establishments like hotels, discos, pubs, shops, stores, malls, spas, hospitals, offices, amusement parks, any form of transportation, be it air, road, or train etc. This also includes playing of music at events, shows, parties, social functions, with or without DJs etc. Revenue generated from issuing license is shared between all music labels.

With performing rights society (IPRS) getting copyright registration, a so far untapped source of revenue is getting opened up for the company. IPRS issues publishing Licences to Music Users and collects Royalties from them, for and on behalf of its Members i.e. the Authors, the Composers and the Publishers of Music and distributes this Royalty amongst them after deducting its administrative costs. IPRS has been recently recognised as the fastest growing copyright society in the world.

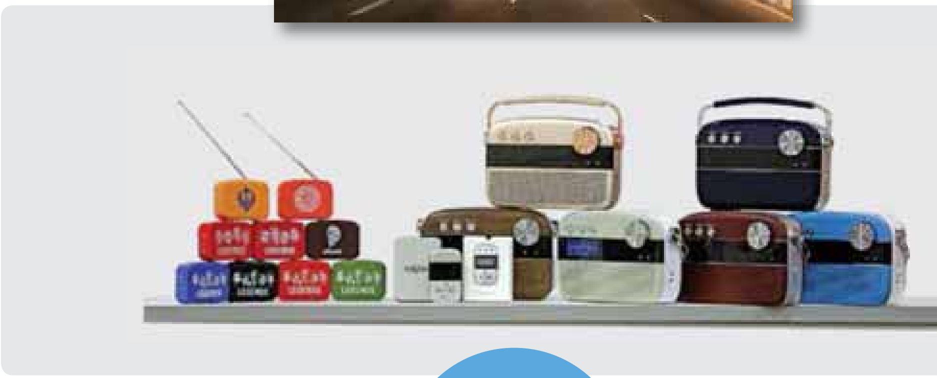
Carvaan

The Company launched its revolutionary product 'Carvaan' in May 2017. Carvaan is an innovative 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.

Saregama's flagship product, Carvaan, is a perfect blend of digital technology and a retro form factor. The product is designed to cater to the needs of 35+ age group where the songs are first selected using data analytics and are classified based on singers, lyricists, music composers, actors, moods etc. Carvaan is positioned as a perfect gifting option by the young generation to their parents and relatives on different occasions besides corporate gifting. In the last two years, Saregama has successfully launched other variations like Carvaan Gold & Carvaan Premium along with different versions in Bengali, Marathi, Punjabi and Tamil music.

The company also launched a smaller model of Carvaan called Carvaan Mini 2.0. in multiple variants with in-built radio to cater specific segments namely Bhakti, Gurbani, Rabindra sangeet, Carnatic sangeet – MS Subalakshmi, and legends in Hindi, Tamil, Telegu, Kannada, Malayalam, Bengali etc.

The latest model of Carvaan is a portable version which allows you to carry your music along. With the tag line of "Walk. Drive. Fly." Carvaan Go is targeted at 40-60 age group that lives an active life. The product has 3000 pre-loaded songs clubbed in 87 play lists along with the capability of adding more songs through microSD card slot. It also supports radio (FM/AM)

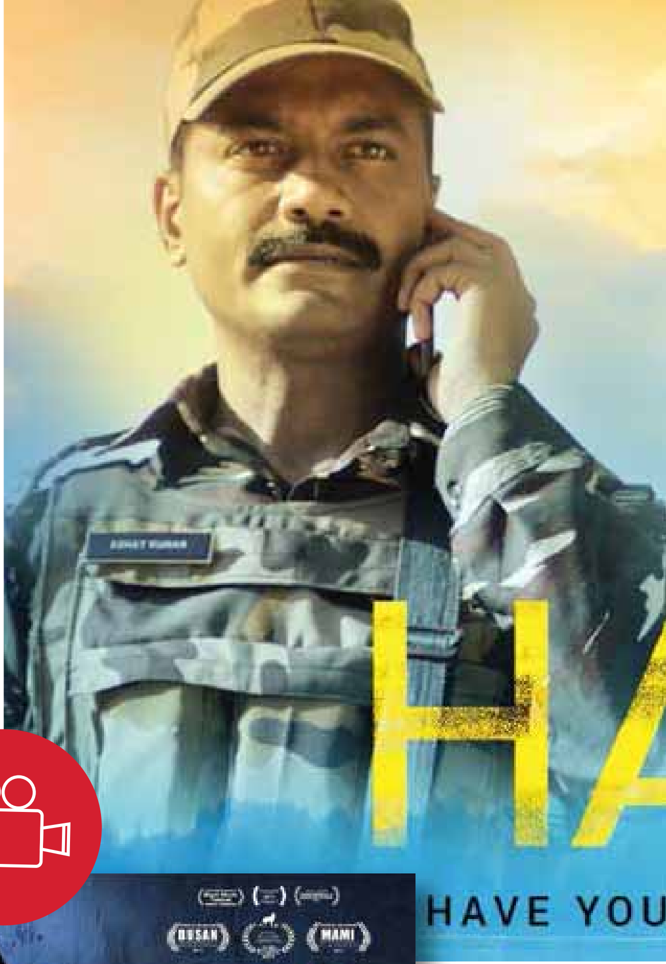


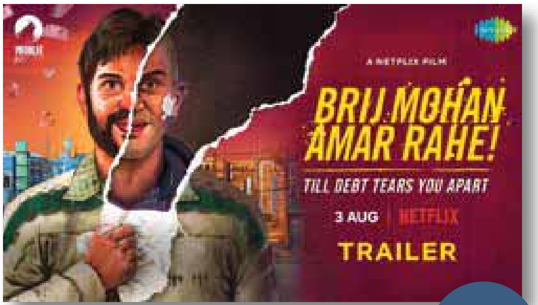
Awards

SAREGAMA'S VIDEO SEGMENT: CONTENT IP CREATION

Yoodlee Films

Yoodlee Films is Saregama's production house focused on creating content for 3rd party digital platforms. The studio is positioned as a "Writer's Studio" focussed on telling powerful stories targeted at younger audiences across the world who primarily consume content on personal devices.

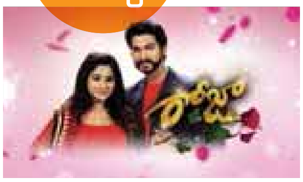


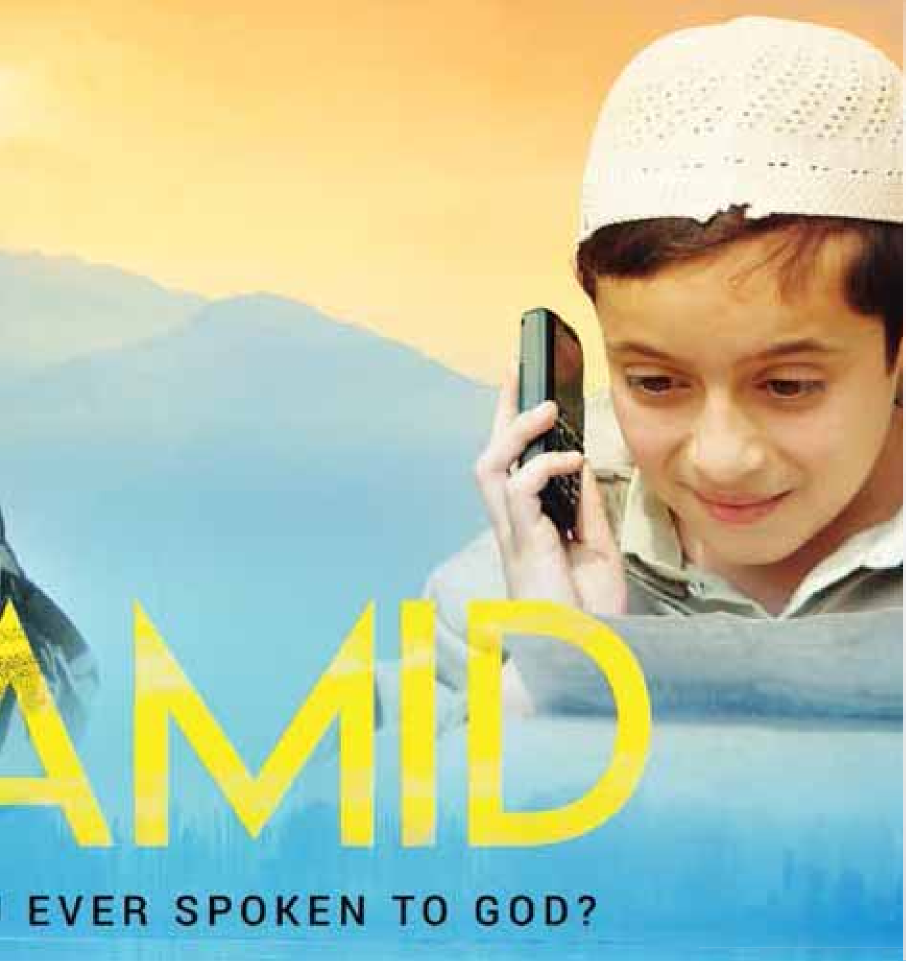


SAREGAMA'S VIDEO SEGMENT: CONTENT IP CREATION & MONETISATION

TV – Serial - Tamil

Since the last 18 years, Saregama has created over 5,700+ hours of content for Sun TV and at any given time broadcasts 3-4 serials giving around 15-16 hours of content per week. The IP of these serials is owned by Saregama which has helped to monetise on various OTT platforms as well including YouTube (75 Mn views per month). The company's top serial Roja has also been remade in 3 additional languages.





The greatest focus of the studio is on script selection which is a rigorous process managed by a team of 17 script readers who evaluate every script on a pre-defined scale. A lot of care is taken to shield this team from any internal and external influences. In order to attract more writers to work with us, Saregama has signed up with multiple talent agencies, commits to a finite timeline to take decisions and offers profit sharing to authors. On the production side, Saregama makes films with the lowest expenses along with the help of an experienced in-house creative team that has won many awards and accolades in the feature film category. The company hedges its risk by keeping upfront talent cost low by offering assured profit sharing to key artistes. This brings skin of talent in the movie and assure excellent quality. Further, company follow conservative accounting policy of expensing the total cost of the film in the year of release.

The company has released 7 films in last 16 months, of which 6 have been licensed by Netflix for global territory including 3 Netflix exclusives.

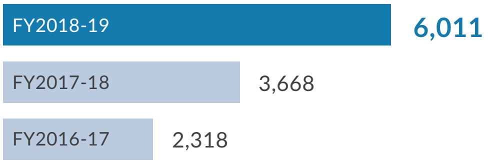
Awards

SAREGAMA'S PUBLICATION SEGMENT

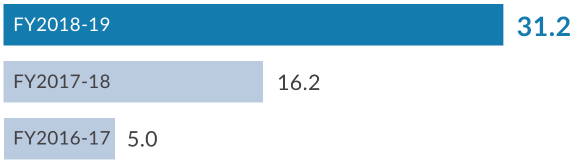
The Publication segment includes the publication of Open Magazine, a weekly current affairs, and features magazine through a 100% owned subsidiary. Open Magazine was launched in April 2009 and was originally available in 12 Indian cities. It is available as eMagazine to enhance the reach beyond boundaries. 'Open' magazine target the top strata of the society and highly intellectual readers and consumers and provide platform to top brands to promote their product and services.

KEY PERFORMANCE INDICATORS

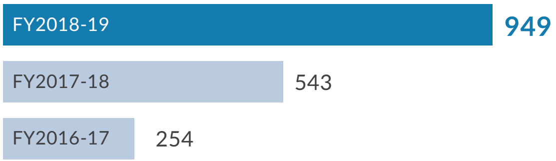
Total Revenue (INR MN)



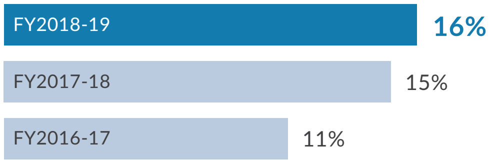
Diluted EPS (INR)



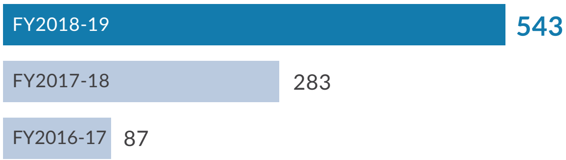
EBITDA (INR MN)



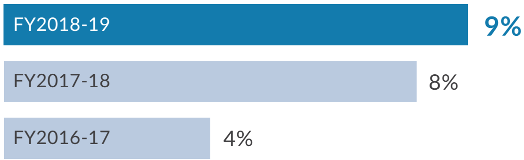
EBITDA Margin (%)



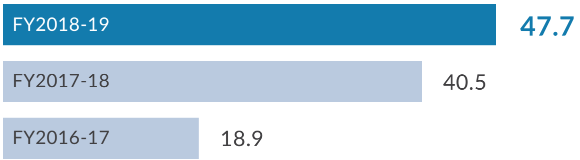
PAT (INR MN)



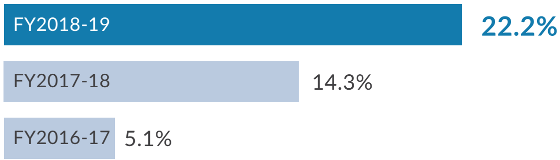
PAT Margin (%)



PE Ratio



RoCE* (MN)



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

MANAGEMENT TEAM

Mr. Vikram Mehra - Managing Director

In the company since October 2014. Before joining Saregama, Mr. Mehra served as Chief Marketing Officer and Chief Commercial Officer at Tata Sky. Prior to joining Tata Sky, he has done stints with Star TV, Tata Motors and TCS. Mr. Mehra is a TAS (Tata Administrative Services) alumni and holds an MBA degree from IIM Lucknow and a B.Tech in Computer Science from IIT Roorkee.

Mr. Vineet Garg - Chief Financial Officer of the Company

A Chartered Accountant with a career spanning 24+ years in the Telecom & Media Industry. Versatile business manager with proven competencies in optimizing team dynamics; uniting diverse agenda to the common goal and harnessing strategic and operational drivers to deliver results.

Rashna Pochkhanwala - Vice President, B2B Music

Media Sales and Licensing experience of 16 years across the Music & TV industry. Times Group, Network 18, Hungama, and UTV. Headed branded content and large format event monetization for Times Global. Responsible for monetization of Network 18 digital brands.

Kumar Ajit - Vice President, B2C Music

He is responsible for developing and evolving the strategic direction of the overall B2C Business vertical. His earlier experience is with companies like Onida and LG Electronics. Ajit is a Post Graduate in Business Management in Marketing & Finance from ICFAI Business School, Hyderabad.

Siddharth Anand Kumar - Vice President, Films and Series

Post-graduation from Hampshire College (MA, USA) and has been a cinematographer, editor, writer, director and producer in the Indian Film and TV industry since last 18 years. Has also directed multiple TV series across channels, including for Saregama in the past. Also been spearheading Yoodlee from day 1.

B. R. Vijayalakshmi - Sr. VP, South TV

Started a career as a Director of Photography, having the distinction of being mentioned in Limca Book of Records as Asia's First Woman Cinematographer producing approximately 4,000 hours of TV content from 2001, in all genres and all south languages. In 2018 Sun TV awarded a gold medal to Saregama on occasion of its 25th year of inception.

MANAGEMENT DISCUSSION AND ANALYSIS

Global Economic Overview

The global economy grew by approximately 3% in 2019, and is expected to continue to maintain the same growth in 2020. The growth rate for emerging market and developing economies is estimated to rise to 5% in 2019-20. With growth in advanced economies projected to gradually decline to about 1.7% once economic slack is eliminated, the further pickup in global activity will entirely be driven by emerging markets and developing economies.

Indian Economic Overview

The Indian economy started the fiscal year FY19 with a healthy 8.2% growth in the first quarter on the back of domestic resilience but ended the year with 6.9% largely due to rising global volatility. Among all large economies, India is likely to demonstrate a rapid and sustainable growth, driven by strong manufacturing-led industrial expansion and consumption demands from the private sector.

Media & Entertainment Industry

The Entertainment industry in India is booming. According to FICCI, the Indian M&E sector reached INR 1.67 Tn in 2018, a growth of 13.4% over 2017 and expected to grow to INR 2.35 Tn by 2021. This growth is not limited to only Television but extends to multiple sectors such as films, digital advertising, animation, gaming, and music. The current growth is driven primarily by advertising revenues, but the future will see subscription revenues also kicking in equally strongly.

The fuel for the growth of all the verticals of the entertainment industry is Content. This can be in the form of Films, TV series, Web series, Music, short-format content, animation content, etc.

The digital revolution has been knocking at the door of entertainment industry for some time, but now it's at the cusp of an explosion. This is courtesy multiple infrastructures and social changes happening across our country. The foremost is the explosion of smartphone ownership which has put a smart TV screen in the hands of 350-400 Mn people in the country. The next driver is the falling cost of data (INR 3/GB) which is taking away the cost barrier from the minds of customers while they are streaming content. A 2 hour movie in HD quality uses 1.8GB data at INR 5.4 while an hour of high-quality music streaming uses 115MB data at 30paisa. With content streaming becoming affordable, the natural question is when will people watch all this content in a 24-hours day? Firstly the content consumption at home is going up with more and more people glued onto their phones, tablets and TV screens (3hr46min of daily TV, 3hrs of

daily music, 30% of phone time spent on entertainment) . More importantly, with traffic situation worsening in every city, the commute time for everyone is steadily going up. This is the time when most people are alone, with a smartphone supported by an affordable data plan in their hand. Bingo, the right place and time to consume lots of content...music, films and series. The next question is what kind of content will be seen by these people. Till the last decade our social values gave a lot of importance to consuming content together as a family (joh family TV dekhe saath-saath, woh rahe saath-saath). Hence, a single large-format film that appealed to the lowest common denominator was enough to satisfy entire family's entertainment needs. But this is changing now. Last few years have seen a major metamorphosis in the family dynamics, wherein now it's acceptable for different members of the family to watch different content on their respective devices at the same time. This means that not only more hours of content are consumed per family but also the consumed content is more varied now, thus creating space for both traditional and new-age story content creators. The same is true for music too, wherein every member of the family listens to her kind of music. The presence of multiple streaming apps and devices like Carvaan, Amazon Echo have made this process easy.

The digital revolution has other implications on the content economy too. Over the next decade, more and more content consumption will be on-demand, thus putting extra pressure on content creators to put their best foot forward. The days of the poorly produced, wafer-thin story, no music-based content may be getting over. Content creators who are well-funded with strong delivery processes and backing of existing IP bank will be well-positioned to take advantage of this opportunity.

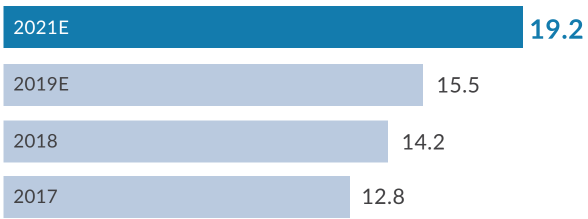
The other positive change is the slowly rising popularity of Indian content across global audiences. It's not just the A-listed films, but smaller thematic films and music that's getting appreciated. It's triggered by the sheer availability of Indian content across all global digital streaming platforms, and the acceptance of audiences to watch content with subtitles. Great news for Indian content owners / creators as it will ensure higher value for every minute of content owned/created.

Over the next decade, over two dozen well-funded video and audio OTT platforms will fight amongst themselves and with the existing 900 TV and 360 radio stations in India for consumer's time and wallet. The weapon of choice in this war will be Content. Though theoretically speaking, the platforms can create content themselves, but in reality the sheer volume and quality of content will demand that most platforms work with high-quality Content Creators. With its century-old experience in Music, nineteen years in creating TV series content, proven track record of making high-concept tight-budgeted films in large numbers, existing relationships with leading digital platforms, TV channels and film production studios, most importantly across all Indian languages, Saregama is uniquely placed in the Content Creation ecosystem, both in audio and video. Add to this company's strength in product development, marketing and 22k strong retail network, and you get the most unique Content Company in India.

IP Content Monetisation

As per EY Analysis and FICCI, the Indian music segment grew 10% to reach INR 14.4 Bn in 2018. It is expected to grow 10.8% annually till 2021, on the back of increased digital revenues, performance rights and synchronization rights. India was at the 19th position in IFPI world rankings of music markets. The biggest trigger for growth will be the declining music piracy, which is the result of both carrot (millions of curated songs available free at click-of-a-button on digital platforms like Gaana, JioSaavn etc) and stick (joint anti-piracy initiatives between Govt. and Industry).

Size of Music Industry (BN)



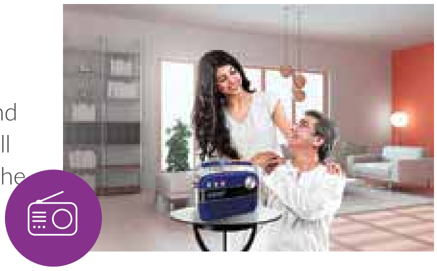
(Source: EY Analysis, March 2019)

Digitisation of music has fundamentally shifted every aspect of the industry, from the way music is recorded to the manner in which albums are positioned, marketed and distributed. Streaming has shifted the balance of power within the industry, vesting the power of decision-making to end consumers and artistes. Proliferation of affordable smartphones, development of digital infrastructure and scaling of internet outreach have changed the landscape of the music ecosystem, resulting in an uptake in consumption.

The continuous growth of digital infrastructure has paved the way for a 50% growth in audio streaming. Leading platforms like Gaana and JioSaavn now claim 100M monthly active users. Smartphone penetration in India grew to 340 Mn i.e., 36% of total phones in 2018, up from 33% in 2017 and is expected to further increase to 39% in 2019. Indian internet users surveyed by IFPI spent 21.5 hours listening to music per week i.e., approximately three hours each day - which is more than the global average of 17.8 hours per week. Indian internet users in the 16-24 years age group listened to 23.9 hours per week on average. 81% users engaged with free audio streaming services.

Currently Saregama charges platforms on a per stream basis plus a share of advertising revenues for the advertising based free service. This revenue has been growing at 40% for last three years. The experience of DTH in India and music services in USA, China tells us that as the consumer evolves, he moves from no-frills advertising led free base service to advertising free premium paid service. If the current base of 1% of Indian music pay subscriber can shift upwards to 2-3%, digital revenues can propel the necessary growth to push the Indian music market towards INR 20 Bn and beyond. This will result in much bigger revenue opportunity for Saregama, as contractually it also gets a share of subscription revenue from the platforms.

An equally fast growing revenue segment for Saregama is Music Publishing, wherein licenses are given for our music usage, including lyrics and tune, to general entertainment TV channels for reality shows & serials; music channels for song videos; new films for background sync & remixes; social media platforms for users to upload their content using our music; radio stations; parties and functions playing music in public spaces etc. As more and more video content will get created to satisfy the ever-growing demand from customers, there will be more and more opportunities for Saregama to sync its music. This is even truer for the digital OTT platforms creating hundreds of hours of exclusive content.



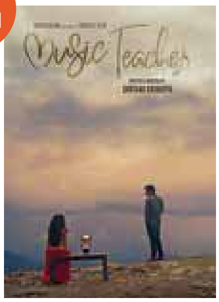
The most talked about product innovation coming from India in the recent times is Saregama Carvaan. It's a product borne out of extensive consumer research done by the company with its loyal customer base. The success of the product can be attributed to its sharp targeting (35+ age group) and positioning (convenience of listening to music of your younger days, wrapped in nostalgia). This financial year saw Saregama enhancing Carvaan product, expanding distribution network, building product awareness and improving gross margins.

The company has built a robust consumer insight-driven product development team that constantly works on newer concepts and existing product enhancements. It added to Carvaan's hardware functionality (app support, new façade, AM radio, Harman Kardon speaker variant) and language variants (Tamil, Marathi, Punjabi). It also revamped Carvaan Mini hardware (new speakers, radio) and variants (Gurbani, Bhakti, Tamil, Telegu). The product launches for next year include Carvaan Go (a mobile Carvaan), Carvaan 2.0 (non-music content through wifi based return path) and enhanced Carvaan Gold. Company has built its own pan-India distribution network across consumer electronic, mobile handset, gifting, car accessories, and e-commerce stores etc. for retailing Carvaan. The total number of retailing dealers at the end of the year are 22000. This financial year saw company building product awareness in the larger towns using digital media. The following years will see greater focus on smaller towns, which hold much larger sales potential for Carvaan due to absence of alternate means of entertainment and lower comfort with technology. While focusing on sales volumes (903k units sale), there was an equal emphasis on improving gross margins by optimising warehousing, logistics and servicing costs. This helped us increase gross margin from 21% last year to 25% this year.

Carvaan has scratched just the tip of the surface till now. The potential market for Carvaan is 25 Mn homes, with no competing product fighting for share. The company plans to further expand Carvaan's market by launching lower priced variants, expanding its appeal through non-music curated content and having a family buy multiple variants. Saregama plans to retail 5M units of Carvaan over the next 3 years.

IP Content Creation

While Saregama thrives on its legacy music catalogue, it's fully aware that it has to restart investing in new content in order to remain relevant 25 years from now. The company decided two years back to ramp-up its investment in new music, digital films and serials in a gradual and systematic fashion, with the ultimate aim of reducing over-dependence on the success of 'one song / one movie / one individual'. The company has invested in data analytics so as to take more educated decisions while investing in new music, and also in building processes that ensure "within budget / in-time" completion of its movies and series.

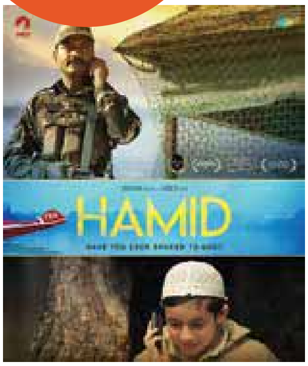


New Music

After a long break the company once again started acquiring new film music of Hindi and Tamil films in 2017. The strategy was to build up the slate over time. With the cost of new music rising, the company has planned its acquisition strategy meticulously in terms of stature of the films, quality of the music and optimum pricing. During this financial year, we added audio & video rights of 46 new film songs, for global territory and in perpetuity. The monetisation of these songs started immediately through streaming platforms, music video licensing, You-Tube, CRBT on telecom platforms etc.

Films

Last few years have been favourable for Indian film industry with the growth coming not only from domestic box office collections but also overseas theatrical releases and escalation in satellite rights values. Indian consumers have also taken to online video viewing in big way. As per E & Y, the country is expected to become the second largest online video viewing audience globally. This exponential growth of video consumption over digital media has encouraged the entry of large global digital video players by launching their OTT platforms. To gain a foothold in India's highly competitive OTT segment, there is frenzy among the global players to sign content licensing deals with local content makers to expand their content library. They are investing heavily in original film content to meet the audience demands. India being the second largest smartphone market in the world, and more than half the country is expected to have access to affordable broadband by 2020. This could result in over 500M online video consumers. Digital micro-payments ecosystem both across urban and rural markets is also supporting this video consumption trend.



To capitalise on this growing video boom, Saregama decided in 2017 to launch into promising business of Digital Films under the sub-brand, Yoodlee Films. The company now produces thematic films in multiple languages with tightly controlled budgets; targeted at 18-35 years segment where the story and not the star cast remains the hero. The company follows unique business model of hedging the risk by keeping upfront talent cost low by offering assured profit sharing. Adding music to the films is a way of leveraging the competencies of Saregama as a music label. The company's ability to get better composers and singers allows it to make music a more integral part of the film. There is a lot of focus on showcasing these films in international festivals to help build Yoodlee brand amongst international buyers, thus opening higher revenue potential for future movies.

In the financial year, Saregama took the twin challenge of establishing itself as a high-concept quality content producer with the external digital platforms and cost effective content producer with the internal stakeholders. It achieved both objectives with aplomb. In the last 16 months, Saregama has licensed 5 of its films to Netflix for the global territory, making it the only non-major studio to do so. Three of these films namely Music Teacher, Brij Mohan Amar Rahein and Kuch Bheege Alfaz won a lot of appreciation with the viewers. Though the deals with Netflix were fixed fee based, the positive fallout of the movies' success was an output deal signed with another leading digital platform for 12 movies. An equally impressive achievement was that each of the 13 films greenlit so far has been shot within budget and timeline of 23 days. This has been achieved by taking individual discretion out of script selection process and turning the entire production and post-production activity into an assembly line process with benchmarks for costs and timelines set using 13 films data, thus ensuring faster releases, greater credibility with partners and lower cost of capital. We believe that these processes can be scaled up easily to produce 24-30 films and digital series in a year. Our ambition is produce minimum 100 films in the next five years.

Cautionary Statement

The projections, estimated data and graphs used in this report have been taken from documents available on the internet/ websites; we don't confirm their correctness. Furthermore, some of the statements (expressed or implied) or inference drawn from statements in Management Discussion and Analysis Report or elsewhere in this Annual Report may be 'forward looking statements' and made for the limited context of the respective subject/ topic. These may be categorized as such within the applicable laws and regulations. As these are based on certain subjective factors, assumptions and expectations of future events hence may differ materially from actual results. The company assumes no responsibility to publicly amend, modify or revise any forward-looking statement. Readers are cautioned that the Company is in no way responsible for any loss/adverse result caused to the readers attributable to these statements. The risks outlined here are not exhaustive. Readers are requested to exercise their own judgment in assessing the risk associated with the company. To avoid duplication and repetition, certain heads of information required to be disclosed in the Management Discussion and Analysis have been included in the Board's Report.

BOARDS' REPORT

Your Directors are pleased to present the Seventy Second Annual Report of Saregama India Limited along with the audited accounts for the year ended 31st March, 2019.

1. **FINANCIAL SUMMARY**

The performance of your Company for the year ended 31st March, 2019 is summarized below:

(₹ in Lakhs)

Particulars	Consolidated	Standalone	Consolidated	Standalone
	Year ended 31st March, 2019	Year ended 31st March, 2019	Year ended 31st March, 2018	Year ended 31st March, 2018
Total income	60113.00	58391.01	36677.86	35982.51
Profit/(Loss) from operations	8467.97	8226.52	3892.39	4111.64
Exceptional item	NIL	NIL	NIL	NIL
Provision for Contingencies	NIL	NIL	NIL	NIL
Profit before tax	8467.97	8226.52	3892.39	4111.64
Tax Expense				
Deferred Tax Charged / (Credit)	904.80	904.80	80.66	80.66
Current tax	2130.51	2128.70	981.56	980.25
Net profit (after tax and exceptional items)	5432.66	5193.02	2830.17	3050.73
Proposed Dividend (including tax thereon)	629.67	629.67	629.67	629.67
Transfer to general reserve	NIL	NIL	NIL	NIL
Free Reserves	21011.56	22704.36	16202.83	18115.62

Your Board is pleased to report a profit of ₹ 5193.02 lakhs on a standalone basis for the year 2018-19.

Further, no amount shall be transferred to reserves.

2. **DIVIDEND**

Your Board is pleased to recommend a dividend of ₹ 3.00 per share for the year ended 31st March, 2019 subject to the approval of shareholders at the ensuing Annual General meeting.

3. **SHARE CAPITAL**

At the beginning and at the end of the financial year the issued and paid up share capital of the Company was ₹ 17,41,04,920 divided into 1,74,10,492 shares of ₹ 10/- each.

4. **OPERATIONS/ STATE OF COMPANY'S AFFAIRS**

This forms part of the Management Discussion and Analysis Report forming part of the Annual Report.

5. **CORPORATE GOVERNANCE**

Your Company has adopted a Code of Conduct (the Code) for its Directors and Senior Management personnel, who have affirmed compliance with the Code.

The adoption of the Code stems from the fiduciary responsibility that the Directors and the Senior Management have towards the stakeholders of the Company.

Your Board of Directors is committed to good governance practices based on principles of integrity, fairness, transparency and accountability for creating long-term sustainable shareholder value.

The Report on Corporate Governance as under applicable Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of the Annual Report.

A certificate from M R and Associates, Practicing Company Secretary regarding compliance of the Corporate Governance requirements as per relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of the Annual report. Further, information about all elements of remuneration package etc. of individual directors forms part of the Annual Report.

BOARDS' REPORT *(contd.)*

6. PREVENTION OF SEXUAL HARASSMENT

The Company has complied with the provisions relating to constitution of Internal Complaints Committee under The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. The said Committee has been set up to redress complaints received regarding sexual harassment at workplace. During the year under review, Company has not received any complaints on sexual harassment.

7. PUBLIC DEPOSITS

The Company has not accepted any deposits from the public falling within the ambit of Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014.

8. EXTRACT OF ANNUAL RETURN

The Extract of Annual Return in Form MGT-9 pursuant to Section 92(3) of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014 is annexed as **ANNEXURE-A** to this Report and the same is available on the website of the company www. saregama.com.

9. CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company and its subsidiaries have been prepared in accordance with the provisions of the Act read with the Companies (Accounts) Rules, 2014, applicable Accounting Standards and the SEBI (Listing Obligation and Disclosure requirements) Regulations, 2015 and it forms part of the Annual Report. Pursuant to Section 129(3) of the Act, a statement containing the salient features of the financial statements of the subsidiary companies for the F.Y. 2018-19 is attached to the Financial Statements for the F.Y. 2018-19 in Form AOC-1. The Company will make available the said financial statements and related detailed information of the subsidiary companies upon request by any member of the Company or its subsidiary companies. These financial statements will also be kept open for inspection by any Member at the Registered Office of the Company.

Pursuant to the provisions of the Companies Act, 2013, the Audited financial statements of the Company, consolidated financial statements along with relevant documents and separate Audited Accounts in respect of subsidiaries, are available on the website of the Company viz.www.saregama.com.

10. SUBSIDIARY COMPANIES, JOINT VENTURE AND ASSOCIATE COMPANIES:

During the year under review, details of Companies/entities which have become or ceased as subsidiary Company, associates and joint ventures, are as under:

Company which have become subsidiary Company:

Saregama FZE - Wholly Owned Subsidiary of Saregama India Limited ("Company").The Company has invested in 100% share capital of Saregama FZE comprising of 100 shares of AED 1,000 each aggregating to AED 1,00,000. .

11. DIRECTORS

As per the relevant provisions of Companies Act, 2013 and SEBI (LODR) Regulations, 2015, during the period under review, the following changes took place in the office of Directors of the Company:

Due the sad demise of Mrs. Sushila Goenka and Mr. Bhaskar Raychaudhuri on 15.07.2018 and 20.11.2018 respectively, they ceased to be Directors of the Company.

The Board of Directors at its meeting held on May 29, 2018 approved the appointment of Mrs. Avarna Jain as a Non-Executive Director of the Company w.e.f. 29.05.2018.

Mr. Ghanashyam Bhagwan Aayeer relinquished his office as a CFO and Whole-Time Director w.e.f. 28.05.2018 due to his retirement from the services of the Company.

At the ensuing Annual General meeting, Mrs. Preeti Goenka(DIN: 05199069) is liable to retire by rotation and being eligible offers herself for re-appointment as a Director of the Company.

The Board of Directors of the Company at its meeting held on May 8, 2019 has approved the re-appointment of Mr. Vikram Mehra for a period of 5 years subject to the approval of shareholders at the ensuing Annual General meeting.

12. KEY MANAGERIAL PERSONNEL

During the year under review, the Board of Directors at its meeting held on May 29, 2018 approved the appointment of Mr. Vineet Garg as the Chief Financial Officer with effect from May 29, 2018 in place of Mr. Ghanashyam Bhagwan Aayeer who relinquished his office as a CFO and Whole-Time Director w.e.f. 28.05.2018 due to his retirement from the services of the Company.

BOARDS' REPORT *(contd.)*

13. BOARD EVALUATION

Pursuant to the provisions of the Act and the corporate governance requirements as prescribed by SEBI (Listing Obligation and Disclosure requirements) Regulations, 2015, the Board of Directors ("Board") has carried out an annual evaluation of its own performance, and that of its Committees and individual Directors.

The criteria for performance evaluation of the Board included aspects like Board composition and structure; effectiveness of Board processes, information and functioning etc. The criteria for performance evaluation of Committees of the Board included aspects like composition of Committees, effectiveness of Committee meetings etc. The criteria for performance evaluation of the individual Directors included aspects on contribution to the Board and Committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings etc. In addition the Chairperson was also evaluated on the key aspects of his role.

14. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

Pursuant to requirement of Securities and Exchange Board of India vide Circular no. CIR/CFD/POLICY CELL/7/2014 dated September 15, 2014, the Company has in place a programme for familiarisation of the Independent Directors with the Company, details of which is available on the website of the company.
https://www.saregama.com/static/investors?srgm_tracker=footer

15. NOMINATION AND REMUNERATION POLICY

The Company has in place a Remuneration Policy for the Directors, Key Managerial Personnel, Senior Management and other Employees pursuant to the provisions of the Act and Regulation 19 of the SEBI (Listing Obligation and Disclosure requirements) Regulations, 2015.

The key changes, inter alia, include addition/amendment in the definition of senior management.

The salient features and objectives of the policy are as follows:

- To formulate the criteria and terms to determine qualifications, attributes and independence of Directors;
- To identify the qualification, key attributes and profile required of persons who may be appointed in Senior Management and Key Managerial positions;
- To recommend remuneration of the Directors, Key Managerial Personnel and Senior Management employees and other employees based on the Company's size of business, financial position and trends and practices prevailing in similar companies in the industry;
- To devise mechanism and carry out evaluation of the performance of Directors;
- To devise and achieve diversity on the composition of Board, an essential element to support quality of performance;
- To prepare policies or principles to retain, motivate and promote talent and create a sense of participation and ownership.
- To carry out such other functions as is mandated by Board of Directors from time to time or is enforced by any statutory notification, amendment or modification as may be applicable.
- To perform such other functions as may be necessary or appropriate for performance of duties

Further, the said policy is available on the website of the Company www.saregama.com.

16. BOARD MEETINGS

During the period under review, 5 (five) Board Meetings were held, details of which are given in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Act and Regulation 17 of SEBI (Listing Obligation and Disclosure requirements) Regulations, 2015.

Currently the Board has 6(six) committees, namely, Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility ("CSR") Committee, Stakeholders' Relationship Committee, Committee of Directors and Finance Committee.

Details of the composition of the Board and its Committees and changes therein and details of the Meetings held, attendance of the Directors at such Meetings and other relevant details are provided in the Corporate Governance Report.

17. AUDIT COMMITTEE

The Audit Committee comprises of the following members:

Name of the Member	Position	Category of Director
Mr. Umang Kanoria*	Chairman	Non-executive Independent Director
Mr. Noshir Framjee	Member	Non-executive Independent Director
Mr. Santanu Bhattacharya	Member	Non-executive Independent Director
Mr. Bhaskar Raychaudhuri#	Member	Non-executive Independent Director

*Appointed as Chairman of the Committee w.e.f. May 11, 2018.

Expired on 20.11.2018 and hence ceased to be a member of the Committee.

Note - Further, details relating to the Audit Committee are provided in the Corporate Governance Report forming part of the Annual report.

BOARDS' REPORT *(contd.)*

18. VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has adopted a Whistle Blower Policy establishing vigil mechanism, to provide a formal mechanism to the Directors and employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee. The policy of vigil mechanism is available on the Company's website:
(Weblink: https://www.saregama.com/static/investors?srgm_tracker=footer)

19. PARTICULARS OF EMPLOYEES

The information as required in terms of Section 197 (12) of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is set out in an annexure to this Report. However, the Report and the Accounts are being sent to all the Shareholders of the Company excluding the aforesaid information. Any shareholder interested in obtaining such information may write to the Company Secretary at the Registered Office of the Company. The said information is also available for inspection at the Registered Office during working hours up to the date of the Annual General Meeting.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided as "**Annexure B**" to this Report.

20. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The brief outline of the CSR Policy of the Company alongwith the Annual Report on CSR activities is set out in "**Annexure C**" of this report. The policy is available on the Company's website.
(Weblink: https://www.saregama.com/static/investors?srgm_tracker=footer)

21. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Particulars of the loans given, investments made, guarantees given or securities provided during the year and the purpose for which the loans / guarantees / securities are proposed to be utilized by the recipient of such loan / guarantee / security is given in Note 44 to the financial Statement.

22. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All contracts/arrangements/ transactions entered by the Company with the Related Parties during the financial period were on an Arm's length basis and were in compliance with the applicable provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There were no materially significant transactions entered into by your company during the year and hence no information is required to be provided under Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014.

23. MATERIAL CHANGES AND COMMITMENT AFFECTING THE FINANCIAL POSITION OF THE COMPANY

On 12th April 2019, the company has received an amount of ₹ 32,18,72,029 (Rupees Thirty Two Crore Eighteen Lakhs Seventy Two Thousand And Twenty Nine Only) from National Insurance Company Limited towards full and final settlement of claim for loss of stocks of Radio Music Player (Carvaan, Carvaan Mini) and Music Cards of the Company due to Fire accident on or about 1st April 2018 in Bhiwandi, Mumbai.

24. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

During the year under review, there were no significant or material orders passed by the Regulators or Courts or Tribunal which would impact the going concern status of the Company and its future operation.

25. RISK MANAGEMENT

The Company is exposed to inherent uncertainties owing to the sectors in which it operates. A key factor in determining a company's capacity to create sustainable value is the risks that the company is willing to take (at strategic and operational levels) and its ability to manage them effectively. Many risks exist in a company's operating environment and they emerge on a regular basis. The Company's Risk Management processes focuses on ensuring that these risks are identified on a timely basis and addressed.

The Company is well aware of the above risks and as part of business strategy has put in a mechanism to ensure that they are mitigated with timely action. The Company has a Risk Management framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage.

26. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Audit Committee reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations, including those relating to strengthening of the Company's risk management policies and systems.

BOARDS' REPORT *(contd.)*

27. AUDITORS

A) **STATUTORY AUDITORS**

M/s BSR& Co. LLP, Chartered Accountants, Firm Registration No. 101248W/W-100022 was appointed as Statutory Auditors of the Company for a period of 5 years by the shareholders at the Annual General Meeting held on July 28, 2017. The Statutory Auditors report does not contain any qualification/reservation/adverse remark or disclaimer.

B) **INTERNAL AUDITORS**

M/S Ernst and Young have been appointed as Internal Auditors for FY 2019-20.

C) **SECRETARIAL AUDITORS**

Pursuant to the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s M R and Associates, Practicing Company Secretaries has been appointed as Secretarial Auditor, to undertake Secretarial Audit of the Company for the financial year 2019-20. The report of the Secretarial Auditor is annexed to this report as **"Annexure D"**. The Secretarial Audit Report does not contain any qualification/reservation/adverse remark or disclaimer.

D) **COST AUDITORS**

Pursuant to Section 148 and applicable provisions of the Companies Act, 2013 and the Companies (Cost Records and Audit) Rules 2014, the Company is required to appoint cost auditor for audit of cost records maintained by the Company in respect of the financial year ending March 31, 2019 and March 31, 2020.

Your Directors have on the recommendation of the Audit committee, appointed M/s. Shome and Banerjee, Cost Accountants, as the Cost Auditor to audit the cost records for the financial year ending March 31, 2020.

Remuneration payable to the Cost Auditor is subject to ratification by the members of the Company. Accordingly, a resolution seeking members' ratification for the remuneration payable to Shome and Banerjee, Cost Accountants, is included in the Notice convening the Annual General Meeting, along with relevant details, including the proposed remuneration.

28. DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors acknowledge the responsibility for ensuring compliances with the provisions of section 134(3)(c) read with section 134(5) of the Companies Act, 2013 in the preparation of the annual accounts for the year ended March 31, 2019 and to the best of their knowledge and ability, confirm that:

a) in the preparation of the annual accounts, the applicable accounting standards had been followed alongwith proper explanation relating to material departures;

b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2019 and of the profit and loss of the company for that year on that date;

c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

d) the directors had prepared the annual accounts on a going concern basis

e) the directors had laid down proper systems of internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

29. INDEPENDENT DIRECTORS DECLARATION

The company has received the necessary declaration from Independent Directors that they meet the criteria of independence as provided in Section 149 of the Companies Act. Further the Company has formulated a Code of Conduct for Directors and Senior Management Personnel and all the Directors and Senior Management Personnel have complied with the Code.

30. REPORTING OF FRAUD BY AUDITORS

There are no instances of fraud reported by the Auditors during FY 2018-19.

31. FOREIGN EXCHANGE EARNINGS AND OUTGO

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows is given below:

(₹ in Lakhs)

	Current Year	Previous Year
Foreign Exchange used	18405.44	9793.42
Foreign Exchange earned	6650.36	6026.31

BOARDS' REPORT *(contd.)*

32. EMPLOYEES STOCK OPTION SCHEME

The Members of the Company, at its Annual General Meeting held on 26th July, 2013, approved the implementation of Saregama Employees Stock Option Scheme - 2013. Your Company is desirous to extend the said benefits also to employees of the subsidiary companies.

Your Company has further formulated the Saregama Stock Appreciation Rights Scheme - 2014 for benefit of its employees as per applicable regulations of Securities and Exchange Board of India as amended from time to time.

The Members of the Company, at its Annual General Meeting held on July 27, 2018 approved the implementation of Saregama Stock Appreciation Rights Scheme - 2018. Your Company is desirous to extend the said benefits also to employees of the subsidiary companies.

The Members of the Company, at its Annual General meeting held on July 27, 2018, the Company has amended various clauses of Saregama Employees Stock Option Scheme – 2013 and provided flexibility to the Nomination and Remuneration Committee to increase or decrease the vesting periods depending on the performance criteria etc. if it considers expedient.

Disclosures with respect to Stock Options and Stock Appreciation Rights, as required under Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ('the Regulations'), is available on the Company's website 'www.saregama.com' .

A certificate from M/s BSR & Co. LLP, Chartered Accountants, Statutory Auditors, with respect to the implementation of Employee Stock option Scheme 2013and Stock Appreciation Rights scheme 2014 and 2018 would be placed before the members at the ensuing AGM and a copy of the same shall be available for inspection at the Registered Office of the Company.

33. RIGHTS ISSUE

Out of the 53,38,628 equity shares issued for cash at a premium of ₹35/- (issue price - ₹ 45/-) pursuant to the Rights Issue in 2005, allotment of 5,290 (31.03.2018 – 5,290) equity shares (relating to cases under litigation / pending clearance from concerned authorities) are in abeyance as on 31st March, 2019.

34. RATIO ANALYSIS

KEY RATIOS	Standalone	
	March-19	**March-18**
Debtor Turnover (Days)	78.6	82.5
Inventory Turnover (Days)	48.6	30.2
Interest Coverage Ratio	13.6	13.2
Current Ratio	1.6	1.6
Debt to Equity Ratio	25%	7%
Operating Profit Margin	15%	16%
Net Profit Margin	10%	9%

Note:

1. Inventory Turnover ratio showing more than 60% increase in FY19 as against last year is due to increase in inventory of digital films on account of higher number of films under productions coupled with increase in inventory of carvaan considering Company maintains inventory equals to 90 days average sales (Company sold 903 units of Carvaan in FY19 as against 389 Units in FY18).
2. On 2nd April 2018, there was a fire in the godown (of third party service provider) damaging stocks of the Company. In order to replenish the stock lost by fire, Company has taken short term borrowing from Bank resulting in higher Debt Equity Ratio in current year as against previous year. The aforesaid borrowing has been repaid subsequent to the year end on receipt of Insurance claim.

35. COMPLIANCE WITH SECRETARIAL STANDARDS

The Company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) and approved by the Central Government under Section 118 (10) of the Companies Act, 2013 for the Financial Year ended 2018-19.

36. ACKNOWLEDGEMENT

Your Directors would like to express their sincere appreciation to its stakeholders financial institutions, bankers and business associates, Government authorities, customers and vendors for their co-operation and support and looks forward to their continued support in future. Your Directors also place on record, their deep sense of appreciation for the committed services by the employees of the Company.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sanjiv Goenka
Chairman and Non-Executive Director
DIN: 00074796

Vikram Mehra
Managing Director
DIN: 03556680

Date: May 8, 2019
Place: Kolkata

BOARDS' REPORT *(contd.)*

Annexure 'A' to the Directors' Report

FORM NO. MGT 9- EXTRACT OF ANNUAL RETURN

As on financial year ended March 31, 2019

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management & Administration) Rules, 2014

I. REGISTRATION & OTHER DETAILS

1.	CIN	L22213WB1946PLC014346
2.	Registration Date	13.8.1946
3.	Name of the Company	Saregama India Limited
4.	Category/Sub-category of the Company	Public Company/ Limited by shares
5.	Address of the Registered office and contact details	33, Jessore Road, Dum Dum, Kolkata-700028; Telephone: (033) 2551 2984/4773 E-mail : co.sec@saregama.com Website: www.saregama.com
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	MCS Share Transfer Agent Limited 383 Lake Gardens 1st Floor Kolkata – 700045 Telephone: (033) 4072 4051 - 4053; Fax : (033) 4072 4050 E-mail : mcssta@rediffmail.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Sale of Products (Carvaan, Mini Carvaan, Music Cards, etc.)	474	53.92%
2	Income from films and television serials (Including Free Commercial Time	591	9.09%
3	Licence Fees	592	36.97%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
1.	Composure Services Private Limited Duncan House 31, Netaji Subhas Road Kolkata – 700001	U72900WB2017PTC219824	Holding	59.11	2(46)
2.	Saregama Plc. 79 College Road, Harrow, Middlesex, England, HA1 1BD	N.A.	Subsidiary	76.41	2(87)
3.	RPG Global Music Limited 3rd Floor, 355 NEX Rue du Savoir Cybercity Ebene 72201	N.A.	Subsidiary	100	2(87)
4.	Kolkata Metro Networks Limited 33, Jessore Road Dum Dum, Kolkata – 700028	U23209WB1989PLC047337	Subsidiary	100	2(87)
5.	Open Media Network Private Limited 33, Jessore Road Dum Dum, Kolkata – 700028	U22100WB2008PTC124295	Subsidiary	100	2(87)
6.	Saregama Inc.* 200 Continental Drive Suite 401 Newark, DE 19713 USA	N.A.	Subsidiary	100	2(87)
7.	Saregama FZE Jafza One, 11th Floor, Office No Cowork – 10 Jebel Ali Free Zone Dubai United Arab Emirates	N.A.	Subsidiary	100	2(87)

*100% Subsidiary of Saregama Plc.

BOARDS' REPORT *(contd.)*

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on April 1, 2018]				No. of Shares held at the end of the year [As on March 31, 2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) **Indian**									
a) Individual/ HUF	0	0	0	0.00	0	0	0	0.00	0.00
b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt.(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	1,02,91,759	0	1,02,91,759	59.11	1,02,91,759	0	1,02,91,759	59.11	0.00
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any other	0	0	0	0.00	0	0	0	0.00	0.00
Total shareholding of Promoter (A)	1,02,91,759	0	1,02,91,759	59.11	1,02,91,759	0	1,02,91,759	59.11	0.00
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	1,28,368	464	1,28,832	0.74	2,18,506	464	2,18,970	1.26	0.52
b) Banks / FI	3,895	1,138	5,033	0	20,520	1,138	21,658	0.12	0.09
c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt.(s)	0	26	26	0.00	48	26	74	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	1,798	1,798	0.01	0	1,798	1,798	0.01	0.00
g) FIIs	0	0	0	0	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify) Foreign Portfolio investor	1,62,063	0	1,62,063	0.93	2,39,772	0	2,39,772	1.38	0.45
Sub-total (B)(1):-	**2,94,326**	**3,426**	**2,97,752**	**1.71**	**4,78,846**	**3,426**	**4,82,272**	**2.77**	**1.06**
2. Non-Institutions									
a) Bodies Corp.									
i.) Indian	25,28,825	3,709	25,32,534	14.55	23,18,083	4,509	23,22,592	13.34	(-) 1.21
ii)Overseas	0	0	0	0.00	0	0	0	0.00	0.00
iii)NBFCs registered with RBI	5,000	0	5,000	0.03	6,200	0	6,200	0.04	0.01
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	25,14,524	1,48,369	26,62,893	15.29	26,48,146	1,40,424	27,88,570	16.01	0.72
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	13,50,469	0	13,50,469	7.76	12,66,860	0	12,66,860	7.28	(-)0.48
Non Resident Indians	2,65,038	4,836	2,69,874	1.55	2,47,292	4,836	2,52,128	1.45	(-)0.10
Non Resident Indians (Non-repatriable)	0	0	0	0.00	0	0	0	0.00	0.00
Foreign Nationals	0	0	0	0.00	0	0	0	0.00	0.00
Foreign Company	0	0	0	0.00	0	0	0	0.00	0.00
Clearing Members	0	0	0	0.00	0	0	0	0.00	0.00
Trusts	211	0	211	0.00	111	0	111	0.00	0.00
Hindu Undivided Family	0	0	0	0.00	0	0		0.00	0.00
Sub-total (B)(2):-	**66,64,067**	**1,56,914**	**68,20,981**	**39.18**	**64,86,692**	**1,49,769**	**66,36,461**	**38.12**	**(-)1.06**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**69,58,393**	**1,60,340**	**71,18,733**	**40.89**	**69,65,538**	**1,53,195**	**71,18,733**	**40.89**	**0.00**
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	**1,72,50,152**	**1,60,340**	**1,74,10,492**	**100.00**	**1,72,57,297**	**1,53,195**	**1,74,10,492**	**100.00**	**0.00**

BOARDS' REPORT *(contd.)*

B) Shareholding of Promoter-

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year i.e. April 1, 2018			Shareholding at the end of the year i.e. March 31, 2019			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1.	Composure Services Pvt. Ltd	1,02,91,599	59.11	0.00	1,02,91,599	59.11	0.00	59.11
2.	STEL Holdings Ltd.	160	0.00	0.00	160	0.00	0.00	0.00

C) **Change in Promoters' Shareholding (please specify, if there is no change)**

Sr. No.	Particulars	Shareholding at the beginning of the year (as on April 1, 2018)		Transactions during the year		Cumulative Shareholding during the year (as on March 31, 2019)	
		No. of shares	% of total shares of the company	Date	Increase/Decrease	No. of shares	% of total shares of the company
Nil							

D) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Name of Shareholder	Shareholding at beginning of the year		Date wise increase/decrease in shareholding during the year			Cumulative shareholding during the year		No of shares at the End of the year	
		No of shares held on april 1,2018	% of total shares of the company	Date	Purchased	Sold	No of share	% of total shares of the company	no of shares as on 31.03.2019	% of total share of the company
1	BNK Capital Markets Limited	813,220	4.67	NIL	NIL	NIL	813,220	4.67	813,220	4.67
2	Jayshree Nirman Ltd	516,981	2.97	NIL	NIL	NIL	516,981	2.97	516,981	2.97
3	Sextant Autour Du Monde*	-	0.00	14.12.2018	1,752	0	1,752	0.01		
				21.12.2018	31,441	0	33,193	0.19		
				31.12.2018	15,559	0	48,752	0.28		
				04.01.2019	13,748	0	62,500	0.36		
				11.01.2019	6,901	0	69,401	0.40		
				18.01.2019	1,534	0	70,935	0.41		
				01.02.2019	28,904	0	99,839	0.57		
				08.02.2019	23,161	0	123,000	0.71		
				22.02.2019	5,161	0	128,161	0.74	128,161	0.74
4	Ashish Goel	118,448	0.68	NIL	NIL	NIL	118,448	0.68	118,448	0.68
5	Asian Securities Exchange Pvt Ltd	108,420	0.62	NIL	NIL	NIL	108,420	0.62	108,420	0.62
6	Antique Stock Broking Limited	168,260	0.97	26.10.2018	-	60,000	108,260	0.62		
				25.01.2019	-	81,387	26,873	0.15		
				25.01.2019	81,387	0	108,260	0.62	108,260	0.62
7	Kotak India Growth Fund Series 5*	-	0.00	18.05.2018	75,000	0	75,000	0.43		
				25.05.2018	8,552	0	83,552	0.48		
				08.06.2018	11,500	0	95,052	0.55		
				15.06.2018	4,948	0	100,000	0.57	100,000	0.57
8	Viral Amal Parikh*	-	0.00	30.03.2019	99,545	0	99,545	0.57	99,545	0.57
9	Varun Daga	96,457	0.55	NIL	NIL	NIL	96,457	0.55	96,457	0.55

BOARDS' REPORT *(contd.)*

Sr. No.	Name of Shareholder	Shareholding at beginning of the year		Date wise increase/decrease in shareholding during the year			Cumulative shareholding during the year		No of shares at the End of the year	
		No of shares held on april 1,2018	% of total shares of the company	Date	Purchased	Sold	No of share	% of total shares of the company	no of shares as on 31.03.2019	% of total share of the company
10	Kusum Lodha	93,217	0.54	18.05.2018	-	400	92,817	0.53		
				05.07.2018	-	1,000	91,817	0.53		
				07.09.2018	-	1,000	90,817	0.52		
				14.09.2018	-	2,620	88,197	0.51		
				21.09.2018	-	1,000	87,197	0.50		
				29.09.2018	-	2,000	85,197	0.49		
				05.10.2018	-	500	84,697	0.49	84,697	0.49
11	Alok Lodha^	76,000	0.44	13.04.2018	-	1,000	75,000	0.43		
				25.01.2019	3,336	0	78,336	0.45		
				22.03.2019	1,000	0	79,336	0.46	79,336	0.46
12	Chandra Singh Lodha^	118,260	0.68	06.04.2018	-	3,667	114,593	0.66		
				13.04.2018	164	0	114,757	0.66		
				18.05.2018	-	500	114,257	0.66		
				06.07.2018	-	10,466	103,791	0.60		
				10.08.2018	1,874	0	105,665	0.61		
				14.09.2018	-	2,485	103,180	0.59		
				21.09.2018	-	10,686	92,494	0.53		
				29.09.2018	-	6,404	86,090	0.49		
				05.10.2018	-	1,200	84,890	0.49		
				12.10.2018	-	2,000	82,890	0.48		
				19.10.2018	-	2,500	80,390	0.46		
				09.11.2018	-	4,524	75,866	0.44		
				07.12.2018	738	0	76,604	0.44		
				14.12.2018	500	0	77,104	0.44		
				21.12.2018	-	4,897	72,207	0.41		
				11.01.2019	-	34	72,173	0.41		
				18.01.2019	-	2,400	69,773	0.40		
				25.01.2019	-	2,000	67,773	0.39		
				01.02.2019	-	2,200	65,573	0.38		
				08.02.2019	-	1,500	64,073	0.37	64,073	0.37
13	BNK Securities Pvt Ltd^	58,671	0.34	NIL	NIL	0	58,671	0.34	58,671	0.34
14	Suresh Kumar Agrawal^	11,058	0.06	06.04.2018	-	250	10,808	0.06		
				20.04.2018	-	250	10,558	0.06		
				11.05.2018	-	250	10,308	0.06		
				27.07.2018	-	100	10,208	0.06		
				09.11.2018	-	150	10,058	0.06		
				11.01.2019	-	150	9,908	0.06	9,908	0.06
15	Siddharth Balachandran^	103,051	0.59	08.06.2018	-	22,147	80,904	0.46		
				15.06.2018	-	26,137	54,767	0.31		
				06.07.2018	-	5,000	49,767	0.29		
				13.07.2018	-	5,000	44,767	0.26		
				07.09.2018	-	5,000	39,767	0.23		
				14.09.2018	-	13,250	26,517	0.15		
				21.09.2018	-	5,000	21,517	0.12		
				29.09.2018	-	21,517	-	0.00	-	0.00

* Became a top 10 shareholder as on March 31, 2019.
^ Ceased to be a Top 10 shareholder as on March 31, 2019.

BOARDS' REPORT *(contd.)*

E) **Shareholding of Directors and Key Managerial Personnel – Nil**

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year (as on April 1, 2018)		Shareholding at the end of the year (as on March 31, 2019)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
None of the Directors or Key Managerial Personnel hold any shares in the Company.					

V) **INDEBTEDNESS -** Indebtedness of the Company including interest outstanding/accrued but not due for payment - for the year ended March 31, 2019

(Amt. in ₹ Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,291.74	NIL	NIL	1,291.74
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	1,291.74	NIL	NIL	1,291.74
Change in Indebtedness during the financial year				
* Addition	2,289.24	2,500	NIL	4,789.24
* Reduction	NIL	NIL	NIL	NIL
Net Change	2,289.24	2,500	NIL	4,789.24
Indebtedness at the end of the financial year				
i) Principal Amount	3,580.98	2,500	NIL	6,080.98
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	3,580.98	2,500	NIL	6,080.98

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL- for the year ended March 31, 2019

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (Amt. in ₹ Lakhs)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Mr. Vikram Mehra, Managing Director	**Mr. GB Aayeer (WTD & CFO)****	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	484.22	22.57	506.79
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	13.88	0.26	14.14
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2.	Stock Option	-	0.05	0.05
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify…	-	-	-
5	Others, (please specify)- Retirals,Others etc.	24.83*	1.03	25.86
	Total (A)	**522.93**	**23.91**	**546.84**
	Ceiling as per the Act	The remuneration is well within the limits prescribed under the Companies Act,2013, read with the notification issued from time to time.		

*The Above remuneration does not include Stock Appreciation Rights (SAR) provision of ₹ 16.26 lakhs for the year 2018-19.
** Whole-time Director and CFO upto May 28, 2018.

BOARDS' REPORT *(contd.)*

B. Remuneration to other directors

1. Non – Executive Directors

(Amt. in ₹)

Sr. No.	Particulars of Remuneration	Mr. S. Goenka	Mrs. P. Goenka	Mrs. S. Goenka##	Mrs. A. Jain#	Total
1.	Fee for attending board and Committee meetings	1,15,000	80,000	40,000	60,000	2,95,000
	Commission					Nil
	Others, please specify					Nil
	Total (1)	**1,15,000**	**80,000**	**40,000**	**60,000**	**2,95,000**

Appointed as a Director on 29.05.2018

Expired on 15.07.2018

2. Independent Directors

(Amt. in ₹)

Sr. No.	Particulars of Remuneration	Mr. B. Raychaudhuri*	Mr. N. Framjee	Mr. U. Kanoria	Mr. S. Bhattacharya	Mr. A. Sarkar**	Total
1.	Fee for attending board and Committee meetings	1,30,000	1,25,000	1,30,000	1,30,000	85,000	6,00,000
	Commission						Nil
	Others, please specify						Nil
	Total (1)	**1,30,000**	**1,25,000**	**1,30,000**	**1,30,000**	**85,000**	**6,00,000**
	Total Managerial Remuneration (B)(1) + (B)(2)						**8,95,000**
	Ceiling as per the Act - The remuneration is well within the limit prescribed under the Companies Act, 2013						

* Expired on 20.11.2018.

** Paid to Khaitan & Co. LLP

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(Amt. in ₹ Lakhs)

Sr. No.	Particulars of Remuneration	Name of Key Managerial Personnel		Total
		Vineet Garg - CFO*	Kamana Khetan - Company Secretary	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	106.20	9.15	115.35
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.68	0.27	0.95
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2	Stock Option			
3	Sweat Equity			
4	Commission			
	- as % of profit			
5	Others, please specify: Retirals etc.	15.22	0.56	15.78
	Total	122.10	9.98	132.08

*Appointed with effect from 29.05.2018.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties / punishment / compounding of offences for breach of any section of Companies Act against the Company or its Directors, if any, during the year ended March 31, 2019.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sanjiv Goenka
Chairman and Non-Executive Director
DIN:00074796

Vikram Mehra
Managing Director
DIN: 03556680

Date: May 8, 2019
Place: Kolkata

BOARDS' REPORT *(contd.)*

Annexure 'B' to the Directors' Report

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2018-19 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-19 are as under :

Sl. No.	Name of Director / KMP and Designation	Remuneration of Director / KMP for financial year 2018-19 (₹ in Lakhs)	% increase in Remuneration in the Financial Year 2018-19	Ratio of remuneration of each Director / to median remuneration of employees
1.	Mr. Vikram Mehra, Managing Director	522.93##	14.58%	56.84 :1
2.	Mr. G. B. Aayeer, Whole-Time Director & CFO*	23.91	N.A.	2.60 : 1
3.	Mr. Vineet Garg, CFO**	122.10	N.A.	N.A
4	Ms. Kamana Khetan Company Secretary	9.98	31.51%	N.A

* Whole-time Director and CFO upto May 28, 2018

** Join with effect from May 29, 2018

The Above remuneration does not include Stock Appreciation Rights (SAR) provision of ₹ 16.26 lakhs for the year 18-19.

Note: No other Director other than the Managing Director and Whole Time Director received any remuneration other than sitting fees during the financial year 2018-19.

ii) In the financial year, there was an increase of 8.62% in the median remuneration of employees.

iii) There were 268 permanent employees on the rolls of Company as on March 31, 2019.

iv) Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year 2018-19 was 23.34 % whereas the increase/(decrease) in the managerial remuneration for the same financial year was -16.60%

v) It is hereby affirmed that the remuneration paid during the Financial Year ended 31st March, 2019 is as per the Remuneration Policy of the Company.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sanjiv Goenka
Chairman and Non-Executive Director
DIN: 00074796

Vikram Mehra
Managing Director
DIN: 03556680

Date: May 08, 2019
Place: Kolkata

BOARDS' REPORT *(contd.)*

Annexure 'C' to the Directors' Report

Annual Report on Corporate Social Responsibility (CSR) Activities

1. **A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:**

   The Company is committed to identifying and supporting programs aimed at:

   Provision of access to basic healthcare services/facilities, safe drinking water & sanitation and conducting health awareness camps, Empowerment of the disadvantaged sections of society through promoting inclusive education for all, as well as through livelihood generation and skill development, Supporting environmental and ecological balance through energy conservation etc., Undertaking livelihood generation/promotion and women empowerment projects, Any other programme that falls under the Company's CSR Policy and is aimed at the empowerment of disadvantaged sections of the society - Undertaking / supporting sports activities and programmes of art and culture in various Forms.

   The Company's policy on CSR is posted at https://www.saregama.com/static/investors?srgm_tracker=footer

2. **Composition of the CSR Committee**

   The CSR committee comprises of the following members:

Name of the Directors	Position	Category of Director
Mr. U. Kanoria	Member	Non-executive Independent Director
Mr. Noshir Framjee	Member	Non-executive Independent Director
Mr. Santanu Bhattacharya	Member	Non-executive Independent Director

3. **Average net profit/(Loss) of the company for last three financial years - ₹ 3,510.09 lakhs**

4. **Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) – ₹ 70.22 lakhs**

5. **Details of CSR spent during the financial year;**

   a. Total amount to be spent for the financial year; - ₹ 70.22 lakhs

   b. Amount unspent, if any; - Nil

   c. Manner in which the amount was spent:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	**CSR project or activity identified**	**Sector in which the Project is covered**	**Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken**	**Amount outlay (budget) project or programs wise**	**Amount spent on the projects or programs Sub – heads: (1) Direct expenditure on projects or programs (2) Overheads**	**Cumulative expenditure upto to the reporting period**	**Amount spent : Direct or through implementing agency***
1	Setting up of an institution of excellence	Sector permitted under Schedule VII to the Companies Act, 2013	Kolkata, West Bengal	₹ 70.22 lakhs	₹ 70.22 lakhs	₹ 291.89 lakhs	RP Sanjiv Goenka CSR Trust

6. The CSR Committee states that the implementation and monitoring of the CSR Policy, is in compliance with the CSR objectives and Policy of the Company.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sanjiv Goenka
Chairman and Non-Executive Director
DIN: 00074796

Noshir Framjee
Director
DIN: 01646640

Date: May 8, 2019
Place: Kolkata

Annexure 'D' to the Directors' Report

Form No. MR - 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,

SAREGAMA INDIA LIMITED
33, Jessore Road, Dum Dum
Kolkata- 700028
West Bengal

1. We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SAREGAMA INDIA LIMITED** (hereinafter called "the company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.
2. Based on our verification of the Company books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:
3. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:
   i) The Companies Act, 2013 (the Act), amendments thereof and the rules made thereunder;
   ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder
   iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
   iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
      (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
      (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
      (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
      (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
      (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable regulations /guidelines/circulars as may be issued by SEBI from time to time to the extent applicable.
      (f) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

   I further report that, there were no actions/ events in pursuance of;
   (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
   (b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
   (c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
   (d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

   Having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, we further report that the Company has complied with the following laws applicable specifically to the Company:
   (a) Indian Copyright Act,1957 as applicable;
   (b) The Trademark Act,1999;

We further report that having regard to the compliance system prevailing in the Company, we have relied upon the representation made by the Management, for compliance with the other applicable laws.

BOARDS' REPORT

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards as mandated and issued by the Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with National Stock Exchange of

India Limited, BSE Limited and Calcutta Stock Exchange Limited.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that,

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company had obtained approval of shareholders by way of Special Resolution passed at Annual General Meeting of the Company held on 27.07.2018 for ;

i. Appointment of Mr. Bhaskar Raychaudhari (DIN: 00277913) as a Non- Executive Independent Director of the Company.

ii. Continuation of the Directorship of Mr. Noshir Naval Framjee (DIN: 01646640) as a Non- Executive Director of the Company who has attained the age of 77 years.

iii. Variation in the remuneration paid/ payable to Mr. Vikram Mehra (DIN: 03556680), Managing Director of the Company.

iv. Variation in the remuneration paid/ payable to Mr. Ghanashyam Bhagwan Aayer (DIN: 00087760), Whole- Time Director of the Company holding office as a Whole- Time Director upto May 28, 2018.

v. Approval of the maximum number of grant of options to be made under Saregama Employees Stock Option Scheme 2013.

vi. Consideration of the amendment in Saregama Employees Stock Option Scheme 2013.

vii. Formulation of Saregama Stock Appreciation Rights Scheme 2018 and issue of Stock Appreciation Rights to the eligible employees of the Company.

viii. Extending the benefits of Saregama Stock Appreciation Rights Scheme 2018 to employees of Subsidiary or holding or associate company.

This Report is to be read with our letter of even date which is annexed as **"Annexure A"** and forms an integral part of this Report.

For MR & Associates
Company Secretaries

[M R Goenka]
Partner
FCS No.:4515
C P No.:2551

Place : Kolkata

Date : 08.05.2019

"ANNEXURE – A"
(TO THE SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019)

To,
The Members

SAREGAMA INDIA LIMITED
33, Jessore Road, Dum Dum
Kolkata- 700028
West Bengal

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial Records is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the Audit practices and processes as where appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial Records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibilities of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For MR & Associates
Company Secretaries

[M R Goenka]
Partner
FCS No.:4515
C P No.:2551

Place : Kolkata
Date : 08.05.2019

REPORT ON CORPORATE GOVERNANCE

This report on Corporate Governance is divided into the following parts:

I. Company's philosophy on Corporate Governance

II. Board of Directors

III. Committee of Directors

IV. Audit Committee

V. Nomination and Remuneration Committee

VI. Stakeholders Relationship Committee

VII. Corporate Social Responsibility Committee

VIII. Finance Committee

IX. General Body Meetings

X. Other Disclosures

XI. Means of Communication

XII. General Shareholder Information

I. Company's philosophy on Corporate Governance

Corporate Governance encompasses laws, procedures, practices and implicit rules that determine the Management's ability to make sound decisions vis-à-vis all its stakeholders - in particular, its shareholders, creditors, the State and employees. There is a global consensus on the objective of Good Corporate Governance: Maximising long-term shareholder value.

Since shareholders are residual claimants, this objective follows from a premise that in well-performing capital and financial markets, whatever maximises shareholder value must necessarily maximise corporate value and best satisfy the claims of the creditors, the employees and the State.

A company which is proactively compliant with the law and which adds value to itself through the Corporate Governance initiatives would also command a higher value in the eyes of present and prospective shareholders.

Saregama India Limited therefore believes that Corporate Governance is not an end in itself but is a catalyst in the process towards maximization of shareholder value. Therefore, shareholder value, as an objective, is woven into all aspects of Corporate Governance - the underlying philosophy, the development of roles and the creation of structures and continuous compliance with standard practices.

Corporate Governance, as a concept, has gained considerable importance of late, primarily because of the proposal to enshrine many of the accepted good governance principles into corporate law. The Companies Act, 2013 ('the Act') and the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended, ('the SEBI Regulations') have strengthened the framework of Corporate Governance for India.

Saregama India Limited is committed to good governance practices by conducting its business in a transparent manner and creating long term sustainable shareholder value.

II. Board of Directors

A. **Composition of the Board of Directors as on 31st March, 2019**

The Board of Directors of the Company comprises of

- 7 Non-Executive Directors (including 4 independent Directors)
- 1 Executive Director

None of the Directors on the Company's Board is a Member of more than ten Committees and Chairman of more than five Committees [Committees being, Audit Committee and Stakeholders Relationship Committee] across all the Indian public limited companies in which he/she is a Director. All the Directors have made necessary disclosures regarding Committee positions held by them in other companies and do not hold the office of Director in more than twenty companies, including ten public companies. All Non-Independent Directors, are liable to retire by rotation. During the year under review, no person has been appointed or continue as an alternate director for an independent director of the Company.

REPORT ON CORPORATE GOVERNANCE *(contd.)*

During the year under review 5 (Five) Board meetings were held on 11th May, 2018; 29th May, 2018; 23rd July, 2018; 2nd November, 2018 and 25th January, 2019. The maximum time-gap between any two meetings did not exceed 120 days.

The Board has identified the following skills/expertise/ competencies fundamental for the effective functioning of the Company which are currently available with the Board:

Media Business	Understanding, of media business dynamics, across various geographical markets, industry verticals and regulatory jurisdictions.
Strategy and Planning	Appreciation of long-term trends, strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments.
Governance	Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long-term effective stakeholder engagements and driving corporate ethics and values.

The names and categories of Directors, the number of Directorships and Committee positions held by them in other companies, and also their shareholdings in the Company as on 31st March, 2019 are given below alongwith the name of other listed entities in which the Director is a director:

Sl. No.	Name of the Directors	Category of Director	No. of Directorships in other Public Limited companies incorporated in India [2]	No of other Committee Membership(s) / Chairmanship(s) held [3]		No. of Equity Shares held	Directorship in other listed entity (Category of Directorship)4
				As Chairperson	As Member		
1.	Mr. Sanjiv Goenka	Chairman (Non-Executive)	8	2	3	Nil	1. CESC Limited – [Chairman (Non-Executive)] 2. CESC Ventures Limited [Chairman (Non-Executive)] 3. Phillips Carbon Black Ltd. [Chairman (Non-Executive)] 4. Spencer's Retail Ltd.[Chairman (Non-Executive)] 5. Firstsource Solutions Ltd.– [Chairman (Non-Executive)]
2.	Mrs. Preeti Goenka	Non-Executive	1	Nil	Nil	Nil	Phillips Carbon Black Ltd. (Non-Executive)
3.	Mrs. Avarna Jain [1]	Non-Executive	2	Nil	Nil	Nil	Nil

REPORT ON CORPORATE GOVERNANCE *(contd.)*

4.	Mr. Umang Kanoria	Non-Executive Independent	5	2	2	Nil	1. STEL Holdings Limited (Non-Executive Independent) 2. Kanco Tea & Industries Limited (Chairman & Director) 3. Kanco Enterprises Limited – (Chairman & Managing Director)
5.	Mr. Santanu Bhattacharya	Non-Executive Independent	4	Nil	4	Nil	Nil
6.	Mr. Arindam Sarkar	Non-Executive Independent	2	Nil	Nil	Nil	Albert David Ltd – (Independent) Rasoi Ltd – (Independent)
7.	Mr. Noshir Naval Framjee	Non-Executive Independent	2	1	Nil	Nil	Nil
8.	Mr. Vikram Mehra	Managing Director	Nil	Nil	Nil	Nil	Nil

[1] Mrs. Avarna Jain, Non-Executive Non-Independent Director, appointed with effect from 29.5.2018.

[2] Excluding Saregama India Limited and private limited companies (but includes subsidiaries of public companies), foreign companies and companies under Section 8 of the Companies Act.

[3] Pursuant to Regulation 26(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, only two committees viz, Audit and Stakeholders Relationship Committees, have been considered for this purpose.

[4] Excluding Saregama India Limited.

Directors namely Mr. Sanjiv Goenka, Mrs. Preeti Goenka and Mrs. Avarna Jain are related to each other under the Companies Act, 2013 read with the Rules made thereunder. Further, Mrs. Preeti Goenka is the wife of Mr. Sanjiv Goenka and Mrs. Avarna Jain is the daughter of Mr. Sanjiv Goenka.

B. Attendance of Directors at the Board Meetings during the period 1st April, 2018 to 31st March, 2019 and at the last Annual General Meeting.

Sl. No.	Name of Directors	Number of Meetings Attended out of five Board Meetings held during the year	Attendance at the last AGM on 27.07.2018
1.	Mr. Sanjiv Goenka	4	No
2.	Mrs. Preeti Goenka	4	No
3.	Mrs. Avarna Jain [1]	3	No
3.	Mrs. Sushila Goenka [2]	2	No
4.	Mr. Bhaskar Raychaudhuri [3]	4	No
5.	Mr. Umang Kanoria	4	Yes
6.	Mr. Santanu Bhattacharya	4	No
7.	Mr. Arindam Sarkar	4	No
8.	Mr. Noshir Naval Framjee	5	No
9.	Mr. Vikram Mehra	5	Yes
10.	Mr. Ghanashyam Bhagwan Aayeer [4]	N.A.	Not applicable

REPORT ON CORPORATE GOVERNANCE *(contd.)*

[1] Mrs. Avarna Jain, Non-Executive Non-Independent Director, appointed as a Director with effect from 29.5.2018.

[2] Mrs. Sushila Goenka, Non-Executive Non-Independent Director expired on 15.7.2018 and hence ceased to be a Director of the Company.

[3] Mr. Bhaskar Raychaudhuri, Non-Executive Independent Director expired on 20.11.2018 and hence ceased to be a Director of the Company.

[4] Mr. Ghanashyam Bhagwan Aayeer, relinquished his office as a CFO and Whole-time Director on 28.05.2018 due to his retirement from the services of the Company.

C. Code of Conduct for Directors and Senior Management

The Board has adopted a Code of Conduct (the Code) for its Directors and Senior Management, who have affirmed compliance with the Code. A declaration to this effect signed by the Managing Director forms part of this Annual Report. The Code of Conduct for Board Members and Senior Management of the Company is posted on the website of the Company and may be accessed at the link https://www.saregama.com/static/investors?srgm_tracker=footer.

The adoption of the Code stems from the fiduciary responsibility which the Directors and the Senior Management have towards the stakeholders of the Company. The Directors and Senior Management acts as trustees in the interest of all stakeholders of the Company by balancing conflicting interest, if any, between stakeholders for optimal benefit.

D. Compliance Reports

At each quarterly meeting of the Board of Directors for approval of financial results, the Managing Director and Chief Financial Officer places a certificate covering compliance of various provisions of law, as applicable.

E. Board Effectiveness Evaluation:

Pursuant to the applicable SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and the Act, Board evaluation involving evaluation of the Board of Directors, its Committees and individual Directors, including the role of the Board Chairman, was conducted during the year. For details kindly refer the Directors' Report.

F. Web link of Familiarisation programme imparted to independent directors:

The Company has in place a programme for familiarization of the Independent Directors with the Company, details of which is available on the website of the Company. https://www.saregama.com/static/investors?srgm_tracker=footer

COMMITTEES OF THE BOARD

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas / activities which concern the Company and need a closer review. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by members of the Board, as a part of good governance practice. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The minutes of the meetings of all Committees are placed before the Board. The Board Committees can request special invitees to join the meeting, as appropriate.

The Board has currently established the following Committees:

III. Committee of Directors

(i) Composition

The composition of the Committee of Directors as on 31st March, 2019 is as under:

Name of the Directors	Position	Category of Director
Mr. Sanjiv Goenka	Chairman	Non-executive Director
Mr. Vikram Mehra	Member	Managing Director
Mr. Noshir Framjee##	Member	Non-executive Independent Director
Mr. Bhaskar Raychaudhuri#	Member	Non-executive Independent Director
Mr. Ghanashyam B. Aayeer*	Member	Whole-time Director

Mr. Noshir Framjee was appointed as a member of the Committee w.e.f. December 20, 2018.

Mr. Bhaskar Raychaudhuri, Non-Executive Independent Director expired on November 20, 2018 and hence ceased to be a member of Committee of Directors.

REPORT ON CORPORATE GOVERNANCE *(contd.)*

*Mr. Ghanashyam B. Aayeer relinquished his office as a Director w.e.f. May 28, 2018 due to his retirement from services of the Company and accordingly ceased to be a member of the Committee.

(ii) Meetings

During the financial year ended 31st March, 2019, 8 (eight) Meetings of the Committee of Directors were held on April 23, 2018, May 29, 2018, June 29, 2018, July 30, 2018, September 20, 2018, November 2, 2018, January 25, 2019 and March 26, 2019.

The attendance of the Committee of Directors at the said meetings are detailed below:-

Sl. No.	Name of the Directors	Number of Meetings attended out of eight meetings held during the year
1.	Mr. Sanjiv Goenka	6
2.	Mr. Vikram Mehra	8
3.	Mr. Noshir Framjee##	2
4.	Mr. Bhaskar Raychaudhuri#	4
5.	Mr. Ghanashyam B. Aayeer*	1

##Mr. Noshir Framjee appointed as a member of the Committee w.e.f. December 20, 2018.

#Mr. Bhaskar Raychaudhuri expired on November 20, 2018.

*Mr. Ghanashyam B. Aayeer relinquished his office as a Director w.e.f. May 28, 2018 due to his retirement from services of the Company and accordingly ceased to be a member of the Committee.

IV. Audit Committee

The Audit Committee of the Company functions in accordance with the requirement of Section 177 of the Act and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 as amended.

The composition of the Audit Committee is in compliance of Regulation 18(1) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

The Audit Committee comprises of 3 Directors and all are Independent Directors.

All members of audit committee are financially literate and at least one member has accounting or related financial management expertise.

The meetings of the Audit Committee are also attended by the Chief Financial Officer and, if required, by other Senior Officials of the Company as special invitees. The Company Secretary of the Company acts as the Secretary to the Audit Committee.

The minutes of each Audit Committee meeting are noted in the next meeting of the Board.

The quorum requirement of Audit Committee as per SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 is two members or one-third of its members, whichever is higher with minimum 2 Independent Directors.

During the year under review, the Audit Committee met 4 (four) times on May 11, 2018, July 23, 2018, November 2, 2018 and January 25, 2019.

(i) Terms of Reference

The broad terms of reference includes the following as is mandated in Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 as amended and Section 177 of the Act:

a. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

b. Recommend to the Board, the appointment, re-appointment, terms of appointment, remuneration and, if required, replacement or removal of Statutory Auditors and fixation of Audit fees.

c. Approval of payment to statutory auditors for any other services rendered by them.

d. review, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

- matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
- changes, if any, in accounting policies and practices and reasons for the same;

REPORT ON CORPORATE GOVERNANCE *(contd.)*

- major accounting entries involving estimates based on the exercise of judgment by management;
- significant adjustments made in the financial statements arising out of audit findings;
- compliance with listing and other legal requirements relating to financial statements;
- disclosure of any related party transactions;
- modified opinion(s) in the draft audit report;

e. Reviewing, with the management the quarterly financial statements before submission to the Board for approval.

f. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency, monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

g. Review and monitor the auditor's independence and performance and effectiveness of audit process.

h. Approval or any subsequent modification of transactions of the Company with related parties.

i. Scrutiny of inter-corporate loans and investments.

j. Valuation of undertakings or assets of the Company, wherever it is necessary.

k. Evaluation of internal financial controls and risk management systems.

l. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.

m. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

n. Discussion with internal auditors of any significant findings and follow up there on.

o. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

p. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

q. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non- payment of declared dividends) and creditors.

r. To review the functioning of the Whistle Blower mechanism.

s. Approval of appointment of CFO after assessing the qualifications, experience & background, etc. of the candidate.

t. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on 01.04.2019.

u. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

(ii) Composition

The composition of the Audit Committee as on 31st March, 2019 is as under:

Name of the Directors	Position	Category of Director	Meetings attended
Mr. Umang Kanoria**	Chairman	Non-executive Independent Director	4
Mr. Santanu Bhattacharya	Member	Non-executive Independent Director	4
Mr. Noshir Framjee##	Member	Non-executive Independent Director	1
Mr. Bhaskar Raychaudhuri#	Member	Non-executive Independent Director	3

**Appointed as Chairman of the Committee w.e.f. 11.05.2019.

Appointed as a member of the Committee w.e.f. 20.12.2018

Expired on 20.11.2018 and hence ceased to be a member of Audit Committee.

REPORT ON CORPORATE GOVERNANCE *(contd.)*

V. Nomination and Remuneration Committee

(i) Terms of Reference

The Nomination and Remuneration Committee (NRC) of the Company functions in accordance with the Act and Listing Requirements, which are reviewed from time to time. The broad terms of reference of the Nomination and Remuneration Committee are as follows:

1. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. formulation of criteria for evaluation of performance of independent directors and the board of directors
3. Devising a policy on Board diversity;
4. Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by NRC or by an independent external agency and review its implementation and compliance;
5. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
6. recommend to the board, all remuneration, in whatever form, payable to senior management

The Employees Stock Option Scheme and Stock Appreciation Rights Scheme have been introduced for the benefits of the Company's eligible employees as well as to extend the benefits for the eligible employees of Company's subsidiaries and the terms and conditions are governed by the Nomination and Remuneration Committee.

During the financial year ended 31st March, 2019, Nomination and Remuneration Committee met 3 times on May 11, 2018, July 31, 2018 and November 2, 2018.

(ii) Composition

The composition of the Nomination and Remuneration Committee as on 31st March, 2019 and attendance at its meeting is as under:

Name of the Directors	Position	Category of Director	Meetings attended
Mr. Noshir Framjee#	Chairman	Non-executive Independent Director	N.A.
Mr. Umang Kanoria	Member	Non-executive Independent Director	2
Mr. Santanu Bhattacharya	Member	Non-executive Independent Director	3
Mr. Bhaskar Raychaudhuri##	Chairman	Non-executive Independent Director	3

Appointed as a Chairman and Member of the Committee w.e.f. 20.12.2018

Expired on 20.11.2018 and hence ceased to be a Chairman and Member of Nomination and Remuneration Committee.

Remuneration Policy

The Company has adopted a Remuneration Policy for Directors, Key Managerial Personnel and other employees in accordance with the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

For details on the Remuneration Policy, kindly refer to the said policy available on the website of the Company www.saregama.com.

Remuneration to Directors

A. Non-Executive Directors

The Non-Executive Directors do not draw any remuneration from the Company except sitting fees in accordance with Article 93 of the Articles of Association of the Company.

Details of the Remuneration paid to Non-Executive Directors for the year ended March 31, 2019 are as follows:

Sl. No.	Name of the Directors	Sitting Fees Paid (₹)
1.	Mr. Sanjiv Goenka	1,15,000
2.	Mrs. Preeti Goenka	80,000
3.	Mrs. Sushila Goenka##	40,000
4.	Mr. Bhaskar Raychaudhuri##	1,30,000

REPORT ON CORPORATE GOVERNANCE *(contd.)*

Sl. No.	Name of the Directors	Sitting Fees Paid (₹)
5.	Mr. Umang Kanoria	1,30,000
6.	Mr. Santanu Bhattacharya	1,30,000
7.	Mr. Arindam Sarkar	85,000
8.	Mr. Noshir Naval Framjee	1,25,000
9.	Mrs. Avarna Jain*	60,000
	Total	**8,95,500**

Due to the sad demise of Mrs. Sushila Goenka and Mr. Bhaskar Raychaudhuri on 15.07.2018 and 20.11.2018 respectively, they ceased to be Directors of the Company.

*Appointed as a Director w.e.f. May 29, 2018.

Criteria for making payments to Non-executive directors

For Non-Executive Directors, the criteria for payment shall be based on criteria viz. the considerations which led to the selection of the Director on the Board and the delivery against the same, contribution made to the Board / Committees, attendance at the Board / Committee Meetings, impact on the performance of the Board / Committees, instances of sharing best and next practices, engaging with top management team of the Company, participation in strategy Board Meetings etc.

B. Executive Directors

The remuneration paid to the Executive Directors is commensurate with industry standards and Board level positions held in similar sized companies, taking into consideration the individual responsibilities shouldered by them and is in consonance with the terms of appointment approved by the Members, at the time of their appointment.

Mr. Vikram Mehra, Managing Director, has been paid remuneration as per the Agreement entered with the Company on 23rd December, 2014 and approved by the shareholders at the Annual General Meeting held on 31st July, 2015. The variation in remuneration of Mr. Mehra was also approved by the shareholders at the Annual General Meeting held on July 27, 2018. Mr. Vikram Mehra's subsequent increment in his remuneration effective 1st July, 2018 has been recommended by the Nomination and Remuneration Committee and is subject to approval of the shareholders at the ensuing Annual General Meeting.

Further, the Board of Directors at its meeting held on May 8, 2019 approved the appointment of Mr. Vikram Mehra for a further period of 5 years subject to the approval of shareholders at the Annual General Meeting considering the outstanding performance of Mr. Mehra during his tenure and performance evaluation made by the Board of Directors.

Mr. G. B. Aayeer relinquished his office as a CFO and Whole-Time Director w.e.f. May 28, 2018 due to his retirement from the services of the Company and has been paid remuneration as per the Agreements entered with the Company from time to time and approved by the shareholders at the Annual General Meetings. The variation in remuneration of Mr. Aayeer was also approved by the shareholders at the Annual General Meetings held on 26th July, 2013, 30th July, 2014, 31st July, 2015, 22nd July, 2016, 28th July, 2017 and 27th July, 2018.

Details of remuneration paid to the Executive Directors for the Financial Year 2018-2019 are given hereunder:

Name	Mr. Vikram Mehra
Designation	Managing Director
Gross salary	
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	₹ 484.22 lakhs
(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	₹ 13.88 lakhs
Others, (please specify)- Retirals, Others etc.	₹ 24.83 lakhs*
Total	**₹ 522.93 lakhs**
Service Contract:	As per agreement dated 23rd December, 2014 with effect from 27th October, 2014.
Notice period	(i) Not less than three months' notice or three months' basic salary in lieu of notice. (ii) Termination of Agreement by the Company upon giving shorter notice, by payment of basic salary in lieu of notice.
Severance Fees	Nil

*The Above remuneration does not include Stock Appreciation Rights (SAR) provision of ₹ 16.26 lakhs for the year 18-19.

REPORT ON CORPORATE GOVERNANCE *(contd.)*

Stock Appreciation Rights	Pursuant to Stock Appreciation Rights Scheme 2014, the Nomination and Remuneration Committee of the Board of Directors has granted 2,00,000 Stock Appreciation Rights (SAR) to the Managing Director on October 27, 2014 (being the date of grant) with the following performance linked vesting schedule :- - After one year from the date of grant:- 66% - After two years from the date of grant:- 34% Pursuant to Stock Appreciation Rights Scheme 2018, the Nomination and Remuneration Committee of the Board of Directors has granted 90,000 Stock Appreciation Rights (SAR) to the Managing Director on July 31, 2018 (being the date of grant) with the following performance linked vesting schedule :- - After 1 year from the date of grant:- 40% - After 2 years from the date of grant:- 20% - After 3 years from the date of grant:- 20% - After 4 years from the date of grant:- 20%

Name	Mr. G.B. Aayeer
Designation	CFO and Whole-time Director upto May 28, 2018
Gross salary	
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	₹ 22.57 lakhs
(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	₹ 0.26 lakhs
Stock Option	₹ 0.05 lakhs
Others, (please specify)- Retirals,Others etc.	₹ 1.03 lakhs
Total	**₹ 23.91 lakhs**
Service Contract:	Relinquished his office as a CFO and Whole-Time Director w.e.f. May 28, 2018 due to his retirement from the services of the Company.
Notice period	(i) Not less than three months' notice or three months' basic salary in lieu of notice. (ii) Termination of Agreement by the Company upon giving shorter notice, by payment of basic salary in lieu of notice.
Severance Fees	Nil
Stock Option	Pursuant to approved Saregama Employee Stock Option Scheme 2013 (Scheme), the Compensation Committee of the Board of Directors has granted shares / options during 2013-14 at the following exercise price, being prevailing market price as on date of joining / revision of salary of respective employee :

Name of eligible employees	No. of options/ shares	Exercise price per share (₹)
Mr. G. B. Aayeer, Chief Financial Officer and Whole-Time Director	10,000	69.85

VI. Stakeholders Relationship Committee

The Stakeholders Relationship Committee functions with the objective of looking into the redressal of Shareholders'/ Investors' grievances. The Stakeholders Relationship Committee is primarily responsible for:

(1) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.

(2) Review of measures taken for effective exercise of voting rights by shareholders.

(3) Review of adherence to the service standards adopted in respect of various services being rendered by the Registrar & Share Transfer Agent.

(4) Review of the various measures and initiatives taken for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

REPORT ON CORPORATE GOVERNANCE *(contd.)*

The Stakeholders Relationship Committee's composition and the terms of reference meets with the requirements of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and provisions of the Act.

During the year under review, 1 (one) Meeting of the Stakeholders Relationship Committee was held on May 11, 2018.

The following is the composition of the Stakeholders Relationship Committee as on 31st March, 2019

Name of the Directors	Position	Category	Meetings attended
Mr. S. Goenka	Chairman	Non-executive Director	1
Mr. U. Kanoria	Member	Non-executive Independent Director	1
Mr. S. Bhattacharya	Member	Non-executive Independent Director	1

The Statement of Investors Complaints is placed before the Board of Directors on a quarterly basis as required under SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Status of Shareholders' Complaints:

Complaints pending as on 1st April, 2018	Nil
Number of complaints	
- received during the year	3
- resolved during the year	3
Complaints pending as on 31st March, 2019	Nil

"Share Transfer Sub-Committee" constituted by the Board of Directors is responsible for share transfers, transmissions and allied matters.

The composition of Share Transfer Sub-Committee as on 31st March, 2019 is as under:

Mr. V. Mehra, Managing Director

Mr. Vineet Garg, Chief Financial Officer

The Share Transfer Sub-Committee met18 times during the financial year ended 31st March, 2019.

VII. Corporate Social Responsibility (CSR) Committee

The CSR committee has been constituted in accordance with the Act to:

a) Formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company in areas or subject specified in Schedule VII;

b) Recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and

c) Monitor the CSR policy of the Company from time to time.

During the year, the CSR Committee met once on 14th March, 2019. The details of composition and attendance is as under:

Name of the Directors	Position	Category of Director	Attendance
Mr. U. Kanoria	Member	Non-executive Independent Director	1
Mr. G. B. Aayeer#	Member	Whole-time Director	N.A.
Mr. S. Bhattacharya	Member	Non-executive Independent Director	1
Mr. N. Framjee##	Member	Non-executive Independent Director	1

#Mr. Ghanashyam Aayeer relinquished his office from CFO and Whole-Time Director due to retirement from the services of the Company and accordingly ceased to be a member of the Committee.

Mr. Noshir Framjee appointed as a member of the Committee w.e.f. December 20, 2018.

Ms. Kamana Khetan, Company Secretary acts as Secretary to the Committee.

Independent Directors Meetings

During the year 2018-19, the Independent Directors viz., U. Kanoria, S. Bhattacharya, A. Sarkar and N. N. Framjee met on 14th March, 2019 in order to, inter alia, review the performance of non-independent directors including that of the Chairman taking into account the views of the executive and non-executive directors; assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties and other related matters. All the four Independent Directors attended the said meeting.

In the opinion of the Board, the independent directors fulfill the conditions specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2018 and are independent of the management.

VIII. Finance Committee

The Board of Directors at its meeting held on January 25, 2019 approved the constitution of Finance Committee for smooth functioning of operations of the Company.

The role of Finance Committee inter-alia includes the following:

- To review the operations of the Company in general;
- To review the systems followed by the Company;
- To authorize opening and closing of bank accounts;
- To authorize additions/deletions to the signatories pertaining to banking transactions;
- To delegate authority to the Company officials to represent the Company at various courts, government authorities and so on; and
- To attend to any other responsibility as may be entrusted by the Board to investigate any activity within terms of reference.
- To obtain outside legal professional advice as considered necessary;
- To investigate any activity within terms of reference.

The details of composition of Finance Committee is as under:

Name of the Directors	Position	Category of Director
Mr. Vikram Mehra	Chairman	Managing Director
Mr. Santanu Bhattacharya	Member	Non-executive Independent Director
Mr. Noshir Framjee	Member	Non-executive Independent Director

During the year under review, there were no meetings of Finance Committee.

IX. General Body Meetings

(i) Location and time of the last three Annual General Meetings (AGM) held

Date	Type	Venue	Time	Special Resolutions Passed
27th July, 2018	71st AGM	Mohit Moitra Mancha, 34/1, Raja Manindra Road, Paikpara, Kolkata - 700037.	10.00 AM	Yes
28th July, 2017	70th AGM	Mohit Moitra Mancha, 34/1, Raja Manindra Road, Paikpara, Kolkata - 700037.	10.00 AM	Yes
22nd July, 2016	69th AGM	Mohit Moitra Mancha, 34/1, Raja Manindra Road, Paikpara, Kolkata - 700037.	10.00 AM	Yes

Note:

There was no special resolution put through postal ballot in the last Annual General Meeting (AGM) held on 27th July, 2018. As on date no resolution is proposed to be conducted through postal ballot in the ensuing AGM.

X. Other Disclosures

(i) Disclosure regarding appointment or reappointment of Directors in accordance with Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been provided in the Notice convening the Annual General Meeting of the Company.

(ii) Details of related party transactions during the year have been set out in the Annual Accounts. These are not having any potential conflict with the interests of the Company at large.

(iii) The Company has complied with all the requirements of the Listing Agreement with the Stock Exchanges as well as regulations and guidelines of SEBI.

There has been no non-compliance, penalties or strictures imposed by SEBI, Stock Exchanges or any other statutory authority on matters relating to capital markets during the last three years ended on 31st March, 2019.

(iv) Out of the 53,38,628 equity shares issued for cash at a premium of ₹35/- (issue price - ₹45/-) pursuant to the Rights Issue in 2005, allotment of 5,290 (31.03.2018 – 5,290) equity shares (relating to cases under litigation / pending clearance from concerned authorities) are in abeyance as on 31st March, 2019.

(v) Laid down procedures for assessment and minimisation of risk are being reviewed and updated periodically by the Board of Directors.

(vi) All mandatory requirements have been appropriately complied with and the non mandatory requirements are dealt with at the end of the Report.

(vii) Certificate from the Managing Director and Chief Financial Officer in terms of Part B of Schedule II pursuant to Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended 31st March, 2019 was placed before the Board of Directors of the Company at its meeting held on 8th May, 2019.

The Company has established internal control systems and procedures which in certain cases are in the process of being further documented and updated.

(viii)In compliance with the SEBI regulation on prevention of insider trading, a comprehensive code of conduct for its Directors and Senior Management Officers is being placed by the Company. The code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of the Company. The code clearly specifies, among other matters, that Directors and specified employees of the Company can trade in the shares of the Company only during 'Trading Window Open Period'. The trading window is being closed during the time of declaration of results, dividend and material events, as per the Code.

Two sets of codes – Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Code of Conduct to regulate, monitor and report trading by Insiders – is being adopted by the Board in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015 and the said code was amended in line with SEBI (Prohibition of Insider Trading), Regulations, 2018.

Ms. Kamana Khetan, Company Secretary also the Compliance Officer also acts as the Chief Investor Relations Officer.

(ix) As required under the Act and as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a Whistle Blower Policy for its Directors and permanent employees. Under the Policy, instances of any irregularity, unethical practice and / or misconduct can be reported to the management for appropriate action. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

(x) The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 covering all employees of the Company. An Internal Complaints Committee has been set up for the purpose. None of the Complaints were filed, disposed or pending during the financial year ended March 31, 2019.

(xi) The Policy for dealing with Related Party Transactions is available on the website of the Company www.saregama.com.

(xi) Discretionary Requirements:

a) **Modified opinion(s) in audit report:** There is no audit modification in the Company's financial statements for the year ended March 31, 2019.

(xii) The Company hereby confirms that it has complied with the corporate governance requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of the Regulation 46(2) of SEBI Listing Regulations, 2015.

Subsidiary Companies

Of the subsidiaries of the Company, the unlisted subsidiaries as on 31st March, 2019 does not come under the purview of "material subsidiary" as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The policy on material subsidiaries is available on the website of the company www.saregama.com.

(xi) The total fees for all services paid by the Saregama India Limited and its subsidiaries, on a consolidated basis, to the Statutory Auditor is ₹ 91.40 lakhs.

(xii) The details of foreign exchange risk and hedging activities forms a part of the financial statements.

(xiii)The Board has accepted all the recommendations of Audit Committee.

(xiv)The Company has obtained credit rating for bank facilities from CARE ratings for the following long term and short term borrowings:

Facilities	Amount (in ₹ Crore)	Ratings
Long term bank facilities	65	CARE A+; Stable (Single A+; Outlook: Stable)
Short term bank facilities	10	Care A1+ (A One Plus)
Total	**75**	

XI. Means of Communication

Quarterly results which newspapers normally published in	Financial Express (English) and Aajkaal. (Bengali).
Any website, where displayed	www.saregama.com
Whether it displays official news releases, presentations made to institutional investors or to the analysts	All the vital information relating to the Company like quarterly results, annual results, official press releases, presentations, if any, made to Institutional Investors or Analysts are posted on the website of the Company www.saregama.com on timely basis.
Whether Management Discussions and Analysis is a part of Annual Report or not	Yes

XIII. General Shareholder Information

AGM Date, Time and Venue	19th July, 2019 at 10.30 A.M. at Mohit Moitra Mancha, 34/1, Raja Manindra Road, Paikpara, Kolkata – 700 037
Financial Year	1st April to 31st March
Dates of book closure	From 13th July, 2019 to 19th July, 2019 (both days inclusive) as annual closure for the Annual General Meeting and payment of dividend, if declared.
Dividend Payment Date	Dividend of ₹3.00 per equity share of ₹10/- each for the year ended 31st March, 2019 as recommended by the Board of Directors, if declared at the ensuing Annual General Meeting to be held on 19th July, 2019, will be paid within the stipulated time in compliance with the related / applicable statute.
Listing on Stock Exchanges	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001. National Stock Exchange of India Limited 'Exchange Plaza', C-1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051. The Calcutta Stock Exchange Limited 7, Lyons Range, Kolkata – 700 001.

The Company has paid Listing fees for the year 2019-2020 to all the Stock Exchanges.

a) Stock Code :

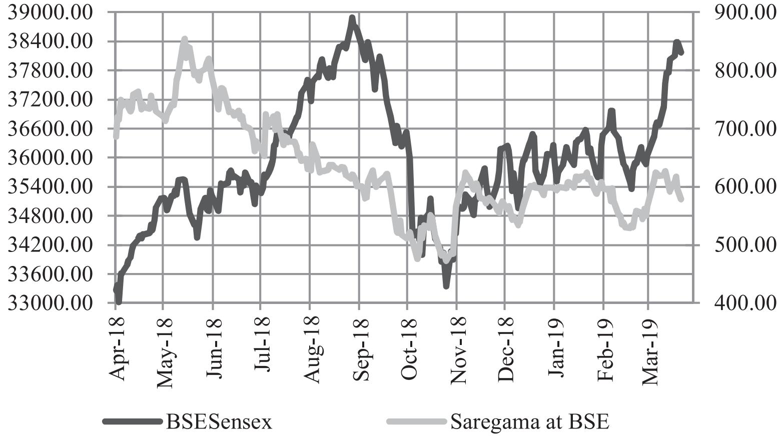
The Calcutta Stock Exchange Limited	:	17177 for physical and 10017177 for demat scrips.
BSE Limited	:	532163.
National Stock Exchange of India Limited	:	SAREGAMAEQ.
ISIN Number for NSDL and CDSL	:	INE979A01017

b) Market Price Data - As quoted in NSE and BSE and reference of Saregama in comparison with BSE Sensex :

Month	Saregama Share prices with NSE		Saregama Share prices with BSE		BSE Sensex	
	High (₹)	Low (₹)	High (₹)	Low (₹)	High	Low
April, 2018	789.00	661.80	789.00	660.00	35213.30	32972.56
May, 2018	872.00	703.00	871.00	702.75	35993.53	34302.89
June, 2018	809.00	658.95	810.00	656.00	35877.41	34784.68
July, 2018	753.95	615.00	755.00	610.00	37644.59	35106.57
August, 2018	688.00	597.05	686.00	599.00	38989.65	37128.99
September, 2018	646.90	501.20	646.45	503.05	38934.35	35985.63
October, 2018	581.00	463.25	572.20	461.50	36616.64	33291.58
November, 2018	634.80	525.10	634.80	528.10	36389.22	34303.38
December, 2018	611.40	520.70	608.00	521.50	36554.99	34426.29
January, 2019	635.00	580.15	633.00	581.40	36701.03	35375.51
February, 2019	607.00	521.75	608.15	520.15	37172.18	35287.16
March, 2019	640.00	546.75	636.55	547.00	38748.54	35926.94

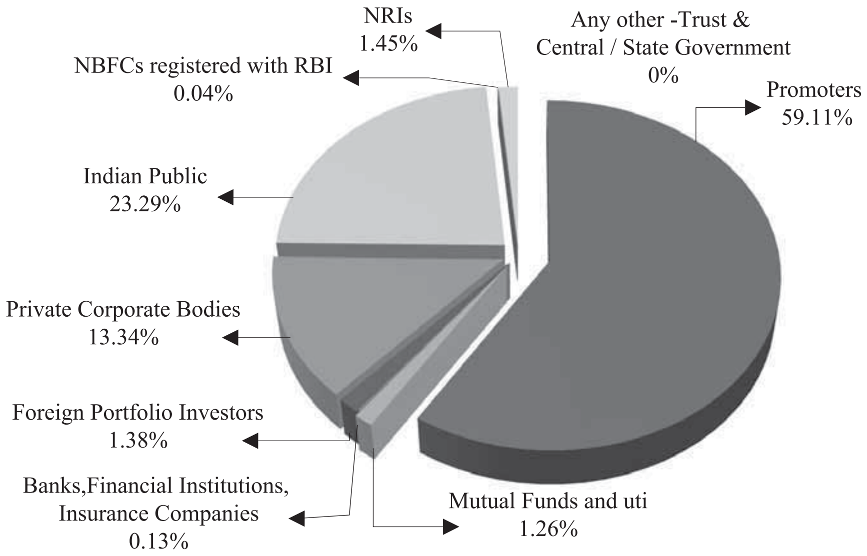
c) **Stock Performance of Saregama India Vs. BSE Indices :**

Saregama Share Price versus BSE Sensex



d) **Shareholding pattern as on 31st March, 2019:**

Sl. No.	Category	No. of Equity shares held	Percentage %
1	Promoters	1,02,91,759	59.11
2	Mutual Funds and UTI	2,18,970	1.26
3	Banks, Financial Institutions, Insurance Companies	23,456	0.13
4	Foreign Portfolio Investors	2,39,772	1.38
5	Bodies Corporate	23,22,592	13.34
6	Individuals	40,55,430	23.29
7	NBFCs registered with RBI	6,200	0.04
8	NRIs	2,52,128	1.45
9	Any other - Trust	111	0.00
10	Central / State Government	74	0.00
	Total	**1,74,10,492**	**100.00**



e) **Distribution of Holdings as on 31st March, 2019:**

Range	Shares	Folios	Percent shares	Percent holders
1-500	14,53,835	26,125	8.3503	95.7977
501 - 1000	4,48,285	595	2.5748	2.1818
1001 - 2000	3,73,300	253	2.1441	0.9277
2001 - 3000	2,15,749	86	1.2392	0.3154
3001 - 4000	1,90,540	54	1.0944	0.1980
4001-5000	1,93,325	41	1.1104	0.1503
5001 - 10000	3,13,350	44	1.7998	0.1613
10001 - 50000	11,29,478	52	6.4873	0.1907
50001 - 100000	11,15,801	15	6.4088	0 .0550
And Above	1,19,76,829	6	68.7909	0.0220
Total	1,74,10,492	27,271	100.0000	100.0000

f) **Registrar and Share Transfer Agents :**

MCS Share Transfer Agent Limited
383, Lake Gardens, 1st Floor, Kolkata – 700045
(Contacts: *Mr. P. Basu / Mr. S. Ghosh / Mr. P. Mukherjee*)
Telephone: (033) 4072 4051 - 53
Fax: (033) 4072 4050
Email: mcssta@rediffmail.com

g) **Share transfer system:**

A Share Transfer Sub-Committee is constituted to approve the transfers and transmissions of shares and allied matters. MCS Share Transfer Agent Limited the Registrars and Share Transfer Agents looks after the share transfers (for both physical and dematerialised shares) and redressal of investor complaints. In addition, the Company Secretary oversees the work of MCS Share Transfer Agent Limited to ensure that the queries of the investors are replied to within a reasonable period and that share transfers and transmissions are registered at least every fortnight.

The Company's Registrars, MCS Share Transfer Agent Limited, have adequate infrastructure to serve the shareholders and process the share transfers. In compliance with the Listing Agreement every six months the share processing system is audited by a Practicing Company Secretary and a Certificate to that effect is issued ensuring that shares are transferred within the period specified under the applicable SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

h) **Dematerialisation of shares and liquidity:**

With effect from 29th May, 2000, the Company's scrip forms part of the SEBI's compulsory demat segment for all investors. To facilitate the investors in having an easy access to the Demat System, the Company has signed up with both the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The connectivity has been established through the Company's Registrars, MCS Share Transfer Agent Limited. As at 31st March, 2019, a total of 1,72,57,297 Equity Shares of the Company, constituting 99.12% of the paid-up share capital, stand dematerialized.

i) **Outstanding GDR / ADRs / Warrants or any Convertible Instruments, Conversion date and likely impact on Equity:** None.

j) **Plant location :**

None

k) **Address for correspondence:**

Registered Office : 33, Jessore Road, Dum Dum, Kolkata - 700 028
Contact Person : Ms. Kamana Khetan, Company Secretary
Telephone: (033) 2551 2984, 4773 Email: co.sec@saregama.com

l) **CERIFICATE FROM PRACTICING COMPANY SECRETARY ON NON-DISQUALIFICATION OF DIRECTORS**

A certificate from practicing company secretary that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority is annexed as **"ANNEXURE I"**.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sanjiv Goenka
Chairman
DIN:00074796

Vikram Mehra
Managing Director
DIN: 03556680

Date: May 8, 2019
Place: Kolkata

Declaration by the Managing Director under Regulation 34(3) read with Para D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

I, Vikram Mehra, Managing Director of Saregama India Limited declare that all the Members of the Board of Directors and Senior Management personnel have, for the year ended 31st March, 2019, affirmed compliance with the Code of Conduct laid down by the Board of Directors in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable.

Vikram Mehra
Managing Director
DIN - 03556680

Kolkata
8th May, 2019

PRACTICING COMPANY SECRETARY'S CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To

The Members

Saregama India Limited

We have examined the compliance of conditions of Corporate Governance by Saregama India Limited ("the Company") for the year ended on March 31, 2019, as stipulated in Schedule V and other relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["SEBI (LODR) Regulations 2015"] as amended from time to time.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations as applicable.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For MR & Associates
Company Secretaries

M R Goenka
Partner
FCS No.: 4515
C P No.: 2551

Place: Kolkata
Date: 08th May, 2019

ANNEXURE I

(TO REPORT ON CORPORATE GOVERNANCE)

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members
Saregama India Limited,
Address: *33 Jessore Road,*
Dum Dum
Kolkata-700028.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of ***Saregama India Limited*** having CIN L22213WB1946PLC014346 and having registered office at 33 Jessore Roaddum Dum Kolkata-700028 (hereinafter referred to as '**the Company'**), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Table A

Sr. No.	Name of the Directors	Director Identification Number	Date of appointment in Company
1	Mr. Sanjiv Goenka	00074796	17/08/1991
2	Mr. Umang Kanoria	00081108	28/09/2015
3	Mr. Noshir Naval Framjee	01646640	12/06/2017
4	Mr. Santanu Bhattacharya	01794958	22/12/2015
5	Mrs. Avarna Jain	02106305	29/05/2018
6	Mr. Vikram Mehra	03556680	27/10/2014
7	Mrs. Preeti Goenka	05199069	27/05/2013
8	Mr. Arindam Sarkar	06938957	22/12/2015

Ensuring the eligibility of the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Makarand M. Joshi & Co.
Practicing Company Secretaries

Kumudini Bhalerao
Partner
FCS No. 6667
CP No. 6690

Place: Mumbai
Date: 08th May, 2019

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SAREGAMA INDIA LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Saregama India Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2019, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* 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 standalone 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matter

1. **Revenue Recognition**
   See note 20 to the standalone financial statements

The key audit matter	How the matter was addressed in our audit
The Company derives its revenues from the sale of contractually manufactured products; licensing of music rights; Income from films and television serials including free commercial time. The recognition of revenue from license fees has been considered to be critical since the Company has entered into complex multiple contracts with the customers and the revenue gets recognised based on the logs/ information received from such customers. The complexity of these contractual terms also requires the Company to make judgments in assessing whether it has fulfilled all its obligations under the contracts before recognizing the revenue.	Our audit procedures involved the following: • reviewed the terms of significant contracts to identify and understand the performance obligations under these contracts; • considered the appropriateness of the revenue recognition policies of the Company in respect of those contracts in light of the requirements of Ind AS 115; • assessed the reasonableness of the timing and amount of revenue recognised for the year ended 31 March 2019 in light of these policies and requirements of Ind AS 115; • tested the design and implementation of controls over the various revenue streams; and • performed detailed substantive procedures with regard to the significant revenue streams by agreeing to third party information, logs received from the customers and other supporting information. For transactions close to the year end, we tested to ensure that cut-off procedures were appropriately applied. Based on the above procedures performed, we concluded that the recognition of revenue was appropriate.

INDEPENDENT AUDITOR'S REPORT *(contd.)*

2. Dealer's incentives

See note 20 to the standalone financial statements

The key audit matter	How the matter was addressed in our audit
Revenue of the Company is measured taking into account, among other things, the incentives paid/payable to the dealers on the Company's products sold to them as per contractual terms. Due to the multitude and variety of such contractual terms, the estimation of incentives recognised based on sales made during the year needs judgment on the management's part and is considered to be complex. We determined this matter to be a key audit issue due to the variety of incentives offered, the absolute amount of such incentives, as well as the complexity associated with the estimates that management has to make, to record this.	Our audit procedures included considering the appropriateness of the revenue recognition policies of the Company, including those relating to incentives and assessing compliance with such policies in terms of applicable accounting standards. We tested the effectiveness of the Company's controls over calculation of incentives and the corresponding payment/accrual. Based on historical data used by the Company to estimate accruals for dealers' incentive, we assessed the permanence of such methods used, the relevance and reliability of data used for estimation and the calculations applied. We also compared amounts paid with previously recognized corresponding provisions to assess the quality of the management estimates. Based on evidence obtained, we concluded that management's process for identifying and quantifying incentive provisions and recognition of revenue was appropriate.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. 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 design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Standalone Financial Statements

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

INDEPENDENT AUDITOR'S REPORT *(contd.)*

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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(A) As required by section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.

e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

INDEPENDENT AUDITOR'S REPORT *(contd.)*

i. The Company has disclosed the impact of pending litigations as at 31 March 2019 on its financial position in its standalone financial statements - Refer Note 37 to the standalone financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and

iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2019.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of section 197 of the Act read with Schedule V to the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act read with Schedule V to the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) which are required to be commented upon by us.

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

Jayanta Mukhopadhyay
Partner
Membership No. 055757

Place: Kolkata
Date: 08 May 2019

ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

Annexure A to the Independent Auditors' report on the standalone financial statements of Saregama India Limited for the year ended 31 March 2019

(Referred to in paragraph (1) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which all the fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, a portion of the fixed assets has been physically verified by the management during the year. In our opinion, the frequency of such physical verification is reasonable having regard to the size of the Company and the nature of its assets. As informed to us, no material discrepancies were noticed on such verification carried out during the year.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(ii) According to the information and explanations given to us, the inventory, except goods in transit and stocks lying with third parties, have been physically verified by the management, at reasonable intervals, during the year. In our opinion, the frequency of such verification is reasonable. For goods in transit as at year end, subsequent receipts of goods have been verified. For stocks lying with third parties as at the year end, written confirmations have been obtained. The discrepancies noticed on verification between the physical stocks and the book records were not material.

(iii) According to the information and explanations given to us, the Company has not granted any loans, to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). However, the Company has granted loans to one of its wholly owned subsidiaries which has been fully provided for.

(iv) According to the information and explanations given to us, the Company has not given any loans, investments, guarantees or securities during the year that would attract provisions of section 185 and section 186 of the Act. Accordingly, the provisions of paragraph 3(iv) of the Order are not applicable to the Company.

(v) According to the information and explanations given to us, the Company has not accepted any deposits from the public as per the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the provisions of paragraph 3(v) of the Order are not applicable to the Company.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by Central Government for maintenance of cost records under section 148(1) of the Act in respect of the products manufactured by the Company and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records with a view to determine whether they are accurate or complete.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, goods and services tax, duty of customs, cess, income tax and any other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us by the management, the Company did not have any dues on account of sales tax, service tax, duty of excise and value added tax.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, goods and services tax, duty of customs, cess, income tax and any other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of income tax, goods and service tax, sales tax, value added tax, service tax, duty of excise and duty of customs which have not been deposited with the appropriate authorities on account of any dispute, except as mentioned below:

Name of the Statute	Nature of the dues	Amount (₹ in Lakhs)*	Period to which the Amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Excise Duty	88.08	1996-97 to 1998-99	Customs, Excise and Service Tax Appellate Tribunal
Finance Act, 1994	Service Tax	35.66	2012-13	The Commissioner (Appeals-I), CGST and Central Excise

ANNEXURE TO INDEPENDENT AUDITOR'S REPORT *(contd.)*

Finance Act, 1994	Service Tax	70.10	2010-11 to 2013-14	Commissioner of Central Excise
Central Sales Tax Act, 1956	Sales Tax	1.62	2005-06, 2006-07	Joint Commissioner
Central Sales Tax Act, 1956	Sales Tax	9.60	1990-91, 2009-10	Deputy Commissioner
Central Sales Tax Act, 1956	Sales Tax	68.36	1999-00	Additional Commissioner
Central Sales Tax Act, 1956	Sales Tax	2.43	1998-99, 2008-09	Assistant Commissioner of Commercial/sales taxes
West Bengal Sales Tax Act, 1994	Sales Tax	97.78	1989-90, 1994-95, 2000-01	Deputy Commissioner
Maharashtra Value Added Tax, 2002	Value Added Tax	196.82	2009-10, 2011-12	Deputy Commissioner
Delhi Sales Tax Act, 1975	Sales Tax	1.55	1991-92	Deputy Commissioner of Commercial Taxes
Tamil Nadu General Sales Tax Act, 1959	Sales Tax	6.75	1986-87 to 1991-92	Tamil Nadu Taxation Special Tribunal
Andhra Pradesh General Sales Tax Act, 1957	Sales Tax	3.28	2004-05	Deputy Commissioner
Kerala General Sales Tax Act, 1963	Sales Tax	0.35	2002-03	Deputy Commissioner of Commercial Taxes
Uttar Pradesh Trade Tax Act, 1948	Sales Tax	2.01	2005-06, 2006-07	Joint Commissioner
Uttar Pradesh VAT Act, 2008	Sales Tax	3.46	2013-14	Additional Commissioner, Grade II(Appeal)
Central Sales Tax Act, 1956	Sales Tax	1.40	2013-14	Additional Commissioner, Grade II(Appeal)
Customs Act, 1962	Custom	52.02	2003-04 to 2007-08	Commissioner of Customs
Income Tax Act, 1961	Income tax	540.72	2012-13	Commissioner of Income tax Appeals

* Amounts are net of ₹ 253.62 Lakhs which has been deposited under protest by the Company.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to the bank. The Company did not have any outstanding loan or borrowings from financial institution or government or debenture holders during the year.

(ix) According to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions of paragraph 3(ix) of the Order are not applicable to the Company.

(x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations given to us and based on our examination of the records, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 of the Act read with Schedule V to the Act.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions of paragraph 3(xii) of the Order are not applicable to the Company.

ANNEXURE TO INDEPENDENT AUDITOR'S REPORT *(contd.)*

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and the details of such transactions have been disclosed in the standalone financial statements as required by applicable accounting standards.

(xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions of paragraph 3(xiv) of the Order are not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them as per section 192 of the Act. Accordingly, the provisions of paragraph 3(xv) of the Order are not applicable to the Company.

(xvi) Accordingly to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of paragraph 3(xvi) of the Order are not applicable to the Company.

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

Jayanta Mukhopadhyay
Partner
Membership No. 055757

Place: Kolkata
Date: 08 May 2019

ANNEXURE TO INDEPENDENT AUDITOR'S REPORT *(contd.)*

Annexure B to the Independent Auditors' report on the standalone financial statements of Saregama India Limited for the year ended 31 March 2019

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph (1(A)(f)) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Saregama India Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

ANNEXURE TO INDEPENDENT AUDITOR'S REPORT *(contd.)*

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

Place: Kolkata
Date: 08 May 2019

Jayanta Mukhopadhyay
Partner
Membership No. 055757

STANDALONE BALANCE SHEET AS AT 31 MARCH 2019

(Amount in Rupees lakhs, except otherwise stated)

Particulars	Notes	As at 31 March 2019	As at 31 March 2018
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	3	**20,559.18**	18,812.30
(b) Investment properties	4	**236.12**	241.65
(c) Intangible assets	5	**687.35**	614.46
(d) Investment in subsidiaries and joint venture	6	**1,574.29**	1,554.10
(e) Financial assets			
(i) Investments	7.1	**12,123.59**	12,339.83
(ii) Loans	7.2	**459.52**	344.34
(iii) Other financial assets	7.3	**0.25**	0.25
(f) Other non-current assets	8	**153.34**	1,113.31
Total non-current assets		**35,793.64**	35,020.24
(2) Current assets			
(a) Inventories	9	**9,244.25**	4,724.73
(b) Financial assets			
(i) Trade receivables	10.1	**11,295.88**	7,810.11
(ii) Cash and cash equivalents	10.2	**144.74**	635.79
(iii) Bank balances other than (ii) above	10.3	**178.58**	161.79
(iv) Loans	10.4	**126.15**	53.67
(v) Other financial assets	10.5	**9.45**	4.91
(c) Current tax assets (net)	11	**3,364.10**	4,140.02
(d) Other current assets	12	**9,022.58**	3,869.07
Total current assets		**33,385.73**	21,400.09
TOTAL ASSETS		**69,179.37**	56,420.33
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	13.1	**1,741.05**	1,741.05
(b) Other equity	13.2	**40,872.67**	36,469.45
Total equity		**42,613.72**	38,210.50
Liabilities			
(1) Non-current liabilities			
(a) Employee benefit obligations	14	**245.55**	205.67
(b) Deferred tax liabilities (net)	15	**5,574.41**	4,557.79
Total non-current liabilities		**5,819.96**	4,763.46
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	16.1	**6,080.98**	1,291.74
(ii) Trade payables			
a) Total outstanding dues of micro enterprises and small enterprises	16.2	**1.91**	0.94
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	16.2	**5,253.24**	3,863.06
(iii) Other financial liabilities	16.3	**4,113.16**	3,472.18
(b) Other current liabilities	17	**1,659.64**	1,160.95
(c) Provisions	18	**3,555.33**	3,584.62
(d) Employee benefit obligations	19	**81.43**	72.88
Total current liabilities		**20,745.69**	13,446.37
TOTAL LIABILITIES		**26,565.65**	18,209.83
TOTAL EQUITY AND LIABILITIES		**69,179.37**	56,420.33

The accompanying notes 1 to 48 are an integral part of these standalone financial statements
As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Jayanta Mukhopadhyay
Partner
Membership No.: 055757

Place : Kolkata
Date : 08 May 2019

For and on behalf of the Board of Directors of
Saregama India Limited
CIN : L22213WB1946PLC014346

Sanjiv Goenka
Chairman
DIN: 00074796

Vikram Mehra
Managing Director
DIN: 03556680

Vineet Garg
Chief Financial Officer

Kamana Khetan
Company Secretary
ACS: 35161

Place : Kolkata
Date : 08 May 2019

Place : Kolkata
Date : 08 May 2019

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

(Amount in Rupees lakhs, except otherwise stated)

	Particulars	Notes	Year ended 31 March 2019	Year ended 31 March 2018
I	Revenue from operations	20	**52,436.53**	34,560.85
II	Other income	21	**5,954.48**	1,421.66
III	**Total income (I+II)**		**58,391.01**	35,982.51
IV	**Expenses**			
	Contract manfacturing charges	22	**21,481.37**	10,516.56
	Cost of production of films and television serials	23	**4,882.90**	5,222.52
	Changes in inventories of finished goods and work-in-progress [(increase)/decrease]	24	**(4,519.52)**	(3,735.69)
	Employee benefits expense	25	**4,406.00**	4,863.15
	Finance costs	26	**655.16**	336.69
	Depreciation and amortisation expense	27	**301.31**	379.06
	Other expenses	28	**22,957.27**	14,288.58
	Total expenses (IV)		**50,164.49**	31,870.87
V	**Profit before tax (III-IV)**		**8,226.52**	4,111.64
VI	Tax expense			
	- Current tax	29	**2,128.70**	980.25
	- Deferred tax [charge/(credit)]	15	**904.80**	80.66
	Total tax expense (VI)		**3,033.50**	1,060.91
VII	**Profit for the year (V-VI)**		**5,193.02**	3,050.73
VIII	**Other comprehensive income**			
	Items that will not be reclassified subsequently to profit or loss:			
	(a) Remeasurements of post-employment benefit obligations		**31.45**	22.70
	(b) Changes in fair value of equity instruments designated at FVOCI		**(216.24)**	1,575.76
	(c) Income tax relating to items that will not be reclassified subsequently to profit or loss	15	**18.94**	(240.77)
	Other comprehensive income for the year, net of tax (VIII)		**(165.85)**	1,357.69
IX	**Total comprehensive income for the year (VII+VIII)**		**5,027.17**	4,408.42
X	**Earnings per equity share:** [Nominal value per share ₹ **10** (previous year - ₹ 10)]			
	Basic (₹)	39	**29.83**	17.53
	Diluted (₹)	39	**29.80**	17.51

The accompanying notes 1 to 48 are an integral part of these standalone financial statements
As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Jayanta Mukhopadhyay
Partner
Membership No.: 055757

Place : Kolkata
Date : 08 May 2019

For and on behalf of the Board of Directors of
Saregama India Limited
CIN : L22213WB1946PLC014346

Sanjiv Goenka
Chairman
DIN: 00074796

Vikram Mehra
Managing Director
DIN: 03556680

Vineet Garg
Chief Financial Officer

Kamana Khetan
Company Secretary
ACS: 35161

Place : Kolkata
Date : 08 May 2019

Place : Kolkata
Date : 08 May 2019

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019

(Amount in Rupees lakhs, except otherwise stated)

A. Equity share capital

Description	Number of shares	Amount
As at 1 April 2017	17,402,938	1,740.29
Changes in equity share capital	7,554	0.76
As at 31 March 2018	**17,410,492**	**1,741.05**
Changes in equity share capital	-	-
As at 31 March 2019	**17,410,492**	**1,741.05**

B. Other equity

Particulars	Reserve and surplus				Item of Other Comprehensive Income (OCI)		Total
	General reserve	Securities premium	Share options outstanding reserve	Retained earnings	Revaluation surplus	Equity instruments through OCI	
Balance as at 1 April 2017	693.95	9,079.10	8.34	5,585.44	10,357.19	6,637.66	32,361.68
Profit for the year	-	-	-	3,050.73	-	-	3,050.73
Other comprehensive income (net of tax)	-	-	-	14.85	(40.76)	1,383.60	1,357.69
Total comprehensive income for the year	-	-	-	3,065.58	(40.76)	1,383.60	4,408.42
Issue of equity shares under Saregama Employee Stock Option Scheme 2013	-	3.32	-	-	-	-	3.32
Final dividend on equity shares for the financial year 2016-17	-	-	-	(261.04)	-	-	(261.04)
Dividend distribution tax on above	-	-	-	(53.14)	-	-	(53.14)
Recognition of share based payment expense (net)	-	-	6.03	-	-	-	6.03
Deferred Tax on revaluation of property, plant and equipment	-	-	-	-	1.77	-	1.77
Transfer from share option reserve on lapse	-	-	-	2.41	-	-	2.41
Balance at 31 March 2018	693.95	9,082.42	14.37	8,339.25	10,318.20	8,021.26	36,469.45

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

Particulars	Reserve and surplus				Item of Other Comprehensive Income (OCI)		Total
	General reserve	Securities premium	Share options outstanding reserve	Retained earnings	Revaluation surplus	Equity instruments through OCI	
Balance at 1 April 2018	**693.95**	**9,082.42**	**14.37**	**8,339.25**	**10,318.20**	**8,021.26**	**36,469.45**
Profit for the year	-	-	-	**5,193.02**	-	-	**5,193.02**
Other comprehensive income (net of tax)	-	-	-	**22.29**	-	**(188.14)**	**(165.85)**
Total comprehensive income for the year	-	-	-	**5,215.31**	-	**(188.14)**	**5,027.17**
Final dividend on equity shares for the financial year 2017-18	-	-	-	**(522.31)**	-	-	**(522.31)**
Dividend distribution tax on above	-	-	-	**(107.36)**	-	-	**(107.36)**
Recognition of share based payment expense (net)	-	-	**(0.05)**	-	-	-	**(0.05)**
Deferred Tax on revaluation of property, plant and equipment	-	-	-	-	**2.67**	-	**2.67**
Transfer from share option reserve on lapse	-	-	-	**3.10**	-	-	**3.10**
Balance at 31 March 2019	**693.95**	**9,082.42**	**14.32**	**12,927.99**	**10,320.87**	**7,833.12**	**40,872.67**

'The description, nature and purpose of each reserve within other equity are as follows:

(i) **General reserve :** Under the erstwhile Companies Act 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, 2013 (the ""Companies Act""), the requirement to mandatory transfer a specified percentage of net profit to general reserve has been withdrawn. The amount credited to the reserve can be utilised by the Company in accordance with the provisions of the Companies Act. There is no movement in general reserve during the current and previous year.

(ii) **Securities premium:** This reserve represents the premium on issue of shares and can be utilised in accordance with the provisions of the Companies Act.

(iii) **Revaluation surplus :** This reserve represents surplus on revaluation of Property, plant and equipment (land) and will be transferred directly to retained earning when the asset is derecognised.

(iv) **Share options outstanding reserve :** This reserve relates to stock options granted by the Company to eligible employees under Saregama Employee Stock Option Scheme 2013. This reserve is transferred to securities premium or retained earnings on exercise or cancellations of vested options.

(v) **Retained earnings :** This reserve represents the cumulative profits of the Company and effects of remeasurement of defined benefit obligations. This Reserve can be utilised in accordance with the provisions of the Companies Act.

(vi) **Equity instruments through OCI (FVOCI) :** This reserve represents the cumulative gains (net of losses) arising on the revaluation of Equity Instruments at fair value through Other Comprehensive Income (OCI), net of amounts reclassified, if any, to Retained Earnings when those instruments are disposed off.

The accompanying notes 1 to 48 are an integral part of these standalone financial statements
As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Jayanta Mukhopadhyay
Partner
Membership No.: 055757

Place : Kolkata
Date : 08 May 2019

For and on behalf of the Board of Directors of
Saregama India Limited
CIN : L22213WB1946PLC014346

Sanjiv Goenka
Chairman
DIN: 00074796

Vikram Mehra
Managing Director
DIN: 03556680

Vineet Garg
Chief Financial Officer

Kamana Khetan
Company Secretary
ACS: 35161

Place : Kolkata
Date : 08 May 2019

Place : Kolkata
Date : 08 May 2019

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

BACKGROUND

Saregama India Limited ("the Company") is a Company limited by shares, incorporated and domiciled in India. The Company is engaged in the business of manufacturing and sale of Music storage device viz. Carvaan, Mini Carvaan, Music Card, Audio Compact Discs, Digital Versatile Discs and dealing with related music rights. The Company is also engaged in production and sale/telecast/broadcast of films/Tv Serials, pre-recorded programmes and dealing in film rights. Equity shares of the Company are listed on the Bombay Stock Exchange (BSE), the National Stock Exchange (NSE) and the Calcutta Stock Exchange (CSE). The registered office of the Company is located in Kolkata, West Bengal, India.

The standalone financials statements were approved and authorised for issue with the resolution of the Board of Directors on 08 May 2019.

1 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied by the Company in the preparation of its standalone financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these standalone financial statements.

(a) Basis of preparation

(i) Compliance with Ind AS

These standalone financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the 'Act') [Companies (Accounting Standards) Rules, 2015] and other relevent provisions of the Act.

(ii) Basis of measurement

(a) Historical cost convention

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

- Certain financial assets and liabilities (including derivative instruments) that is measured at fair value;
- Net Defined benefit (assets)/Liability - Fair value of plan assets less present value of defined benefit obligations; and
- Share based payments.

(b) Functional and presentation currency

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

(iii) Current versus non-current classification

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

Assets

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

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

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

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

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

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

Liabilities

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

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

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

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(b) Revenue recognition

Effective 1 April 2018, the Company has applied Ind AS 115, Revenue from Contracts with Customers, which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. 1 April 2018). The comparative information in the statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18. Refer note 1(b) of the Financial Statement – Significant accounting policies – Revenue recognition in the Financial Statement of the Company for the year ended 31 March 2018, for the revenue recognition policy as per Ind AS 18. The impact of the adoption of the standard on the financial statements of the Company is insignificant.

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

- Revenue from the sale of products is recognised at the point in time when control is transferred to the customer. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.
- For sale of product on a bill-and-hold basis, Company recognises revenue when it satisfies its performance obligation to transfer the control of a product to the customer. For a customer to have obtained control of a product in a bill-and-hold arrangement, Company has applied the guidance as set out in Ind AS 115.
- Revenue from Music licensing where the customer obtains a “right to use” is recognized at the time the license is made available to the customer. Revenue from licenses where the customer obtains a “right to access” is recognized over the access period.
- Revenue from the sale of televeision software is recognised upfront at the point in time when the software is delivered to the customer.
- Revenue from sale of free commercial time (net of trade discount, as applicable) are recognised when the related advertisement or commercials appears before the public, i.e. on telecast.
- Revenue from theatrical distribution is recognised on exhibition of films. In case of distribution through theatres, revenue is recognised on the basis of box office reports received from various exhibitors. Contracted minimum guarantees are recognised on theatrical release.
- Revenue from Sale of films rights are recognised on assignment of such rights as per terms of the sale/licencing agreements. The billing schedules agreed with customers include periodic performance based payments and / or milestone based progress payments. Invoices are payable within contractually agreed credit period.

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

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

Use of significant judgements in revenue recognition :

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

Interest income

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

Dividend income

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

Rental income

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

(c) Property, plant and equipment - (PPE)

All items of property, plant and equipment other than freehold land are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to statement of profit and loss during the reporting period in which they are incurred.

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

Depreciation method, estimated useful lives and residual values

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

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

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

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

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

Transition to Ind AS

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

(d) Investment properties

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

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

Transition to Ind AS

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

(e) Intangible assets

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

(i) Music Copyrights

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

(ii) Computer Software

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

Amortisation method and year

The Company amortises intangible assets with a finite useful lives using the straight-line method over the following periods:
Music Copyrights are amortised on straight line basis over a period of 1-10 years. The Company reviews the expected future revenue potential at the end of each accounting period and recognises impairment loss, where required.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

Softwares are amortised on a straight line basis over a period of three to five years from the date of capitalisation.
Advances paid towards the cost of intangible assets outstanding at each balance sheet date is classified as 'Capital advances' under other non- current assets.

Transition to Ind AS

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

(f) Impairment of non-financial assets

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

(g) Leases

As a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

(h) Inventories

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

Television serials under production are included under 'Work-in-Progress'. Untelecasted television serials are stated at lower of cost and net expected revenue and included under 'Finished Goods'.

Digital Films under production are included under 'Work-in-Progress'. Expenses of under production films incurred till the films are ready for release are inventorised. Cost comprises acquisition / direct production cost. 10% of Cost of digital films is recognised as expense in Statement of Profit and Loss on the date of theatrical release of the Film, balance is charged of on licencing of digital rights.

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

(i) Investments in subsidiaries

Investments in subsidiaries are carried at cost less provision for impairment, if any. Investments in subsidiaries are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of investments exceeds its recoverable amount.

Transition to Ind AS

On transition to Ind AS, the Company has elected to measure its investments in all its subsidiaries at its previous GAAP carrying value and use those values as the deemed cost of such investments.

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

(i) Classification

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

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

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

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. In accordance with Ind AS 101, the Company had irrevocably designated its investment in equity instruments as FVOCI on the date of transition to Ind AS.

(ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

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

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

(iii) Impairment of financial assets

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

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

(iv) Derecognition of financial assets

A financial asset is derecognised only when

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

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

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

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

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

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

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

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

(vii) Financial liabilities at amortised cost

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in Statement of Profit and Loss.

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

(viii) Fair value of financial instruments

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

(k) Offsetting financial instruments

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

(l) Trade receivables

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

(m) Cash and cash equivalents

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

(n) Trade and other payables

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

(o) Borrowings

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

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

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

(p) Borrowing costs

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

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

(q) Foreign currency transactions and translation

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. At the year-end, monetary assets and liabilities denominated in foreign currencies are restated at the year - end exchange rates. The exchange differences arising from settlement of foreign currency transactions and from the year-end restatement are recognised in profit and loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

(r) Employee benefits expense

(i) Short-term employee benefits

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

(ii) Other long-term employee benefits

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

(iii) Post-employment benefits

Defined benefit plans

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

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

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

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

Defined contribution plans

Contributions to Provident Fund and Superannuation Fund are accounted for on accrual basis. Contributions under Defined Contribution Plans payable in keeping with the related schemes are recognised as expenses for the period in which the employee has rendered the service.

(iv) Share-based payments

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

Employee Options

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

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

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

Share appreciation rights

Liabilities for the Company's share appreciation rights are recognised as employee benefit expense over the relevant service period. The liabilities are remeasured to fair value at each reporting date and are presented as employee benefits obligations in the balance sheet.

(s) Royalty

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

(t) Income tax

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

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

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

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

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

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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

(u) Provisions and contingencies

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

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

A disclosure for contingent liabilities is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of the amount cannot be made.

(v) Earnings per share

(i) Basic earnings per Share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company

- by the weighted average number of equity shares outstanding during the financial year

(ii) Diluted earnings per share

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

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

(w) Rounding of amounts

All amounts disclosed in the standalone financial statements and notes have been rounded off to the nearest lakhs (with two places of decimal) as per the requirement of Schedule III, unless otherwise stated.

(x) Recent accounting pronouncements- Standard issued but not yet effective

I Ind AS 116, Leases

¬The Company is required to adopt Ind AS 116, Leases from 1 April 2019. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. It replaces existing leases guidance, Ind AS 17, Leases.

The Company has completed an initial assessment of the potential impact on its standalone financial statements but has not yet completed its detailed assessment. The quantitative impact of adoption of Ind AS 116 on the standalone financial statements in the period of initial application is not reasonably estimable as at present.

i. Leases in which the Company is a lessee

The Company will recognise new assets and liabilities for its operating leases of offices, warehouse and factory facilities. The nature of expenses related to those leases will now change because the Company will recognise a depreciation charge for right-of-use assets and interest expense on lease liabilities.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

Previously, the Company recognised operating lease expense on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised.

In addition, the Company will no longer recognise provisions for operating leases that it assesses to be onerous. Instead, the Company will include the payments due under the lease in its lease liability and apply Ind AS 36, Impairment of Assets to determine whether the right-of-use asset is impaired and to account for any impairment.

No significant impact is expected for the Companys's finance leases.

ii. Leases in which the Company is a lessor

The Company will reassess the classification of sub-leases in which the Company is a lessor. Based on the information currently available, the Company expects that it will reclassify one sub-lease as a finance lease.

No significant impact is expected for other leases in which the Company is a lessor.

iii. Transition

The Company plans to apply Ind AS 116 initially on 1 April 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting Ind AS 116 will be recognised as an adjustment to the opening balance of retained earnings at 1 April 2019, with no restatement of comparative information.

The Company plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply Ind AS 116 to all contracts entered into before 1 April 2019 and identified as leases in accordance with Ind AS 17.

II Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether same can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statements.

III Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its financial statements.

IV Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact from this amendment.

2 Critical estimates and judgements

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

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

The areas involving critical estimates or judgements are:

Employee benefits (estimation of defined benefit obligations) - Notes 1(r) and 30

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

Impairment of trade receivables — Notes 1 (j)(iii) and 33

For impairment of trade receivable, Company applies the simplified approach permitted by Ind AS 109, 'Financial Instruments', which requires expected lifetime losses to be recognised from initial recognition of the receivables. The assumptions and estimates applied for determining the provision for impairment are reviewed periodically.

Estimation of expected useful lives of property, plant and equipment - Notes 1(c) and 3

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

Contingencies - Notes 1(u) and 37

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

Valuation of deferred tax assets - Notes 1(t) and 15

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

Fair value measurements — Notes 1(j)(viii) and 32

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

3 PROPERTY, PLANT AND EQUIPMENT (PPE)

(Amount in Rupees lakhs, except otherwise stated)

Description	Gross carrying amount				Accumulated depreciation				Carrying amount (net)	
	Cost as at 1 April 2018	Additions/ adjustments	Deductions/ adjustments	Cost as at 31 March 2019	As at 1 April 2018	Depreciation for the year	Deductions/ adjustments	As at 31 March 2019	As at 31 March 2019	As at 31 March 2018
Land - Freehold	**18,207.76**	**1,800.00**	**-**	**20,007.76**	**-**	**-**	**-**	**-**	**20,007.76**	18,207.76
Buildings - Freehold	**70.59**	**-**	**-**	**70.59**	**19.72**	**3.97**	**-**	**23.69**	**46.90**	50.87
Leasehold buildings	**37.71**	**-**	**-**	**37.71**	**1.60**	**0.80**	**-**	**2.40**	**35.31**	36.11
Plant and equipment	**3.13**	**-**	**-**	**3.13**	**1.28**	**1.14**	**-**	**2.42**	**0.71**	1.85
Furniture and fixtures	**396.90**	**18.17**	**-**	**415.07**	**124.73**	**49.31**	**-**	**174.04**	**241.03**	272.17
Office equipment	**515.97**	**98.52**	**0.36**	**614.13**	**274.59**	**112.30**	**0.23**	**386.66**	**227.47**	241.38
Vehicles	**10.06**	**-**	**0.49**	**9.57**	**7.90**	**2.16**	**0.49**	**9.57**	**-**	2.16
Total	**19,242.12**	**1,916.69**	**0.85**	**21,157.96**	**429.82**	**169.68**	**0.72**	**598.78**	**20,559.18**	18,812.30

Description	Gross carrying amount				Accumulated depreciation				Carrying amount (net)
	Cost as at 1 April 2017	Additions/ adjustments	Deductions/ adjustments	Cost as at 31 March 2018	As at 1 April 2017	Depreciation for the year	Deductions/ adjustments	As at 31 March 2018	As at 31 March 2018
Land - Freehold	18,207.76	-	-	18,207.76	-	-	-	-	18,207.76
Buildings - Freehold	70.59	-	-	70.59	15.75	3.97	-	19.72	50.87
Leasehold buildings	37.71	-	-	37.71	0.80	0.80	-	1.60	36.11
Plant and equipment	5.20	-	2.07	3.13	1.99	1.36	2.07	1.28	1.85
Furniture and fixtures	390.18	6.91	0.19	396.90	63.54	61.38	0.19	124.73	272.17
Office equipment	430.62	88.91	3.56	515.97	137.63	140.52	3.56	274.59	241.38
Vehicles	10.06	-	-	10.06	4.20	3.70	-	7.90	2.16
Total	19,152.12	95.82	5.82	19,242.12	223.91	211.73	5.82	429.82	18,812.30

3.1 The Company has chosen the revaluation model for land and cost model for other items of PPE as its accounting policy [Refer Note 1(c)]. The carrying amount of land that would have been recognised had it been carried under the cost model is ₹6,567.47 Lakhs.

3.2 Title deeds of the immovable properties as set out in the above table are in the name of the Company.

3.3 The Company has borrowed from banks which carry charge over certain of the above PPE (Refer Note 16.1 for details).

3.4 Aggregate amount of depreciation has been included under 'Depreciation and amortisation expense' in the Statement of Profit and Loss (Refer Note 27).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

4 INVESTMENT PROPERTIES

	As at 31 March 2019	As at 31 March 2018
Gross carrying amount		
At the beginning of the year	**252.71**	252.71
Additions during the year	**-**	-
Deletions during the year	**-**	-
At the end of the year	**252.71**	252.71
Accumulated depreciation		
At the beginning of the year	**11.06**	5.53
Depreciation charge during the year	**5.53**	5.53
At the end of the year	**16.59**	11.06
Carrying amount (net)	**236.12**	241.65

(i) Amounts recognised in statement of profit and loss for investment properties

	Year ended 31 March 2019	Year ended 31 March 2018
Rental income (Refer Note 21)	**22.79**	21.75
Profit from investment properties before depreciation	**22.79**	21.75
Depreciation (Refer Note 27)	**5.53**	5.53
Profit from investment properties	**17.26**	16.22

(ii) Fair value

	As at 31 March 2019	As at 31 March 2018
Investment properties	**1,858.88**	1,828.04

Estimation of fair value

The Company obtains independent valuations for its investment properties at least annually. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the Company consider information from a variety of sources including:

- current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences
- discounted cash flow projections based on reliable estimates of future cash flows
- capitalised income projections based upon a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence

The fair values of investment properties have been determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

5 INTANGIBLE ASSETS

Description	Gross carrying amount				Accumulated amortisation and impairment							Carrying amount (net)	
	Cost as at 1 April 2018	Additions/ adjust-ments	Deductions/ adjustments	Cost as at 31 March 2019	Amortisa-tion as at 1 April 2018	Impair-ment as at 1 April 2018	Amortisa-tion for the year	Impair-ment/ (Re-versal) for the year	Deductions/ adjust-ments	Amortisation as at 31 March 2019	Impairment as at 31 March 2019	As at 31 March 2019	As at 31 March 2018
Copyrights-Music	935.20	193.65	-	1,128.85	285.83	45.83	162.16	(45.83)	-	447.99	-	680.86	603.54
Computer Software	61.60	5.34	-	66.94	50.68	-	9.77	-	-	60.45	-	6.49	10.92
Total	996.80	198.99	-	1,195.79	336.51	45.83	171.93	(45.83)	-	508.44	-	687.35	614.46

Description	Gross carrying amount				Accumulated amortisation and impairment							Carrying amount (net)
	Cost as at 1 April 2017	Additions/ adjustments	Deductions/ adjustments	Cost as at 31 March 2018	Amortisation as at 1 April 2017	Impairment as at 1 April 2017	Amortisation for the year	Impairment/ (Reversal) for the year	Deductions / adjustments	Amortisation as at 31 March 2018	Impairment as at 31 March 2018	As at 31 March 2018
Copyrights-Music	778.45	156.75	-	935.20	136.49	45.83	149.34	-	-	285.83	45.83	603.54
Computer Software	61.35	0.25	-	61.60	38.22	-	12.46	-	-	50.68	-	10.92
Total	839.80	157.00	-	996.80	174.71	45.83	161.80	-	-	336.51	45.83	614.46

5.1 The amortisation expense of intangible assets have been included under 'Depreciation and amortization expense' in the Statement of Profit and Loss (Refer Note 27).

6 INVESTMENT IN SUBSIDIARIES AND JOINT VENTURE

		Face value of each unit as at 31 March 2019	Face value of each unit as at 31 March 2018	**Number of shares as at 31 March 2019**	Number of shares as at 31 March 2018	**As at 31 March 2019**	As at 31 March 2018
Investment in joint venture at cost (Unquoted)							
Saregama Regency Optimedia Private Limited (Joint venture) #		**₹ 10**	₹ 10	**1,459,584**	1,459,584	**-**	-
Investment in subsidiary at cost (Unquoted)							
a)	Saregama Plc.	**1 pence**	1 pence	**7,629,072**	7,629,072	**8.82**	8.82
	Less: Provision for impairment in the value of Investment					**(8.82)**	(8.82)
b)	RPG Global Music Limited	**US $ 1**	US $ 1	**2,314,885**	2,314,885	**-**	-
c)	Kolkata Metro Networks Limited	**₹10**	₹10	**17,050,000**	17,050,000	**1,554.10**	1,554.10
d)	Open Media Network Private Limited	**₹10**	₹10	**1,075,600**	1,075,600	**-**	-
e)	Saregama FZE	**AED 1000**	-	**100**	-	**20.19**	-
						1,574.29	1,554.10
Aggregate carrying value of unquoted investments						**1,574.29**	1,554.10
Aggregate provision for impairment in the value of investments						**8.82**	8.82

Under liquidation effective 19 September 2016, referred to in Note 41.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

7 FINANCIAL ASSETS (NON-CURRENT)

7.1 INVESTMENTS

	Face value of each unit as at 31 March 2019	Face value of each unit as at 31 March 2018	**Number of shares as at 31 March 2019**	Number of shares as at 31 March 2018	**As at 31 March 2019**	As at 31 March 2018
Investments carried at fair value through other comprehensive income						
Quoted - fully paid equity shares in other companies						
CESC Limited	**₹10**	₹10	**1,259,988**	1,259,988	**9,206.10**	12,174.00
Phillips Carbon Black Limited	**₹2**	₹10	**500**	100	**0.88**	1.09
Harrisons Malayalam Limited	**₹10**	₹10	**100**	100	**0.07**	0.07
CFL Capital Financial Services Limited	**₹10**	₹10	**100**	100	**0.02**	0.02
CESC Ventures Limited (formerly RP SG-Business Process Services Limited)	**₹10**	-	**251,997**	-	**1,567.30**	-
Spencers Retail Limited (formerly RP-SG Retail Limited)	**₹5**	-	**755,992**	-	**1,209.59**	-
STEL Holdings Limited	**₹10**	₹10	**100**	100	**0.10**	0.10
Unquoted - fully paid equity shares in other companies						
Spencer and Company Limited	**₹9**	₹9	**200**	200	**0.48**	0.39
Woodlands Multispeciality Hospital Limited	**₹10**	₹10	**2,250**	2,250	**5.60**	3.76
Timbre Media Private Limited	**₹10**	₹10	**230,000**	230,000	**133.45**	160.40
Total investments					**12,123.59**	12,339.83
Aggregate carrying value of quoted investments and market value thereof					**11,984.06**	12,175.28
Aggregate carrying value of unquoted investments					**139.53**	164.55
Aggregate provision for impairment in the value of investments					**-**	-

Equity shares designated at fair value through other comprehensive income (FVOCI)

	Fair value as at 31 March 2019	**Dividend income recognised during 2018-19**	Fair value as at 31 March 2018	Dividend income recognised during 2017-18
Investment in CESC Limited	**9,206.10**	**220.50**	12,174.00	151.19
Investment in Phillips Carbon Black Limited	**0.88**	**0.02**	1.09	0.01
Investment in Harrisons Malayalam Limited	**0.07**	**-**	0.07	-
Investment in CFL Capital Financial Services Limited	**0.02**	**-**	0.02	-
Investment in CESC Ventures Limited	**1,567.30**	**-**	-	-
Investment in Spencers Retail Limited	**1,209.59**	**-**	-	-
Investment in STEL Holdings Limited	**0.10**	**-**	0.10	-
Total	**11,984.06**	**220.52**	12,175.28	151.20

Note: Pursuant to the Composite Scheme of Arrangement involving CESC Limited (CESC) and nine other CESC subsidiaries as approved by the Hon'ble National Company Law Tribunal, Kolkata Bench, the Company is entitled to receive 5 equity shares of ₹10 each of the Haldia Energy Limited for every 10 equity shares held in CESC Limited, allotment of the same is pending as on 31 March 2019. Hence, pending such allotment no adjustment has been made in the financial statements.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

7.2 LOANS

	As at 31 March 2019	As at 31 March 2018
Security deposits		
Unsecured, considered good	**459.52**	344.34
Total loans	**459.52**	344.34

7.3 OTHER FINANCIAL ASSETS

	As at 31 March 2019	As at 31 March 2018
Bank deposits with original maturity more than 12 months*		
Unsecured, considered good	**0.25**	0.25
Total other financial assets	**0.25**	0.25

* Lodged with Government authority ₹**0.25 Lakh** (31 March 2018 - ₹0.25 Lakhs).

8 OTHER NON-CURRENT ASSETS

	As at 31 March 2019	As at 31 March 2018
Capital advances		
Unsecured, considered good	**70.00**	984.88
Unsecured, considered doubtful	**36.38**	12.75
Less: Provision for doubtful advances	**(36.38)**	(12.75)
	70.00	984.88
Prepaid expenses		
Unsecured, considered good	**83.34**	128.43
Total other non-current assets	**153.34**	1,113.31

9 INVENTORIES [Refer Note:1(h)]

	As at 31 March 2019	As at 31 March 2018
Finished goods		
Untelecasted television serials/digital films	**479.37**	110.47
Carvaan/music card and others @	**7,153.78**	3,464.84
Work-in-progress		
Digital films under production	**1,611.10**	1,149.42
Total inventories	**9,244.25**	4,724.73

@ Includes good in transit worth ₹**460.89 Lakhs** (31 March 2018 - ₹Nil).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

10 FINANCIAL ASSETS (CURRENT)

10.1 TRADE RECEIVABLES

	As at 31 March 2019	As at 31 March 2018
Trade receivables		
Unsecured, considered good	**11,886.74**	8,867.08
Credit impaired	**353.19**	353.19
Less: Allowance for expected credit loss	**(944.05)**	(1,410.16)
Total trade receivables	**11,295.88**	7,810.11

Notes:

(a) No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

(b) Information about the Company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in Note 33.

(c) For terms and conditions and balances of trade receivables owing from related parties (Refer note 35).

10.2 CASH AND CASH EQUIVALENTS

	As at 31 March 2019	As at 31 March 2018
Cash on hand	**2.73**	0.88
Bank balances :		
- Current accounts	**142.01**	634.91
Total cash and cash equivalents	**144.74**	635.79

10.3 OTHER BANK BALANCES

	As at 31 March 2019	As at 31 March 2018
Earmarked balances with bank		
Deposits (with original maturity more than 3 months but remaining maturity period less than 12 months) #	**162.36**	152.58
Unpaid dividend accounts @	**16.22**	9.21
Total other bank balances	**178.58**	161.79

Includes **₹162.36 Lakhs** deposited with Delhi Court (31 March 2018 - ₹152.58 Lakhs).

@ Earmarked for payment of unclaimed dividend.

10.4 LOANS

	As at 31 March 2019	As at 31 March 2018
Loans to related parties (Refer note 35)		
Unsecured, considered good	**6,781.59**	4,991.27
Less: Allowance for expected credit loss	**(6,669.15)**	(4,948.70)
	112.44	42.57
Loan to employees		
Unsecured, considered good	**13.71**	11.10
Total loans	**126.15**	53.67

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

10.5 OTHER FINANCIAL ASSETS

	As at 31 March 2019	As at 31 March 2018
Interest accrued on deposits with banks	**5.17**	4.91
Interest accrued on Loans to Related Parties (Refer note 35)		
Unsecured, considered good	**4.28**	-
Total other financial assets	**9.45**	4.91

11 CURRENT TAX ASSETS (NET)

	As at 31 March 2019	As at 31 March 2018
Advance payment of Income Tax and Tax Deducted at Source [net of Provision for Taxation ₹**6948.87 Lakhs** (31 March 2018 - ₹ 4,953.60 Lakhs)]	**3,364.10**	4,140.02
Total current tax assets (net)	**3,364.10**	4,140.02

12 OTHER CURRENT ASSETS

(Unsecured, considered good unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018
Minimum guarantee royalty advances	**1,918.67**	622.45
Royalty advances		
Unsecured, considered good	**120.16**	191.01
Unsecured, considered doubtful	**447.66**	432.44
Less: Provision for doubtful advances	**(447.66)**	(432.44)
	120.16	191.01
Advance to artist against TV projects / films and events		
Unsecured, considered good	**907.82**	572.81
Unsecured, considered doubtful	**324.98**	330.98
Less: Provision for doubtful advances	**(324.98)**	(330.98)
	907.82	572.81
Prepaid expenses		
Unsecured, considered good	**365.25**	277.92
Unsecured, considered doubtful	**44.06**	44.06
Less: Provision for doubtful advances	**(44.06)**	(44.06)
	365.25	277.92
Amount recoverable from custom authorities	**-**	17.69
Other receivables (Refer note 45)	**3,218.72**	-
Advance against supply of goods	**529.94**	974.15
Balances with government authorities	**1,941.94**	1,192.96
Advance payment of fringe benefit tax [net of Provision ₹**147.87 Lakhs** (31 March 2018 - ₹147.87 Lakhs)]	**20.08**	20.08
Total other current assets	**9,022.58**	3,869.07

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

13 EQUITY SHARE CAPITAL AND OTHER EQUITY

13.1 EQUITY SHARE CAPITAL

Particulars	As at 31 March 2019		As at 31 March 2018	
	Number of shares	Amount	Number of shares	Amount
Authorised				
Ordinary shares of ₹10 each	**25,000,000**	**2,500.00**	25,000,000	2,500.00
Issued				
Ordinary shares of ₹10 each	**17,410,492**	**1,741.05**	17,410,492	1,741.05
Subscribed and fully paid up				
Ordinary shares of ₹10 each	**17,410,492**	**1,741.05**	17,410,492	1,741.05

Reconciliation of number of ordinary shares outstanding

Particulars	As at 31 March 2019		As at 31 March 2018	
	Number of shares	Amount	Number of shares	Amount
As at the beginning of the year	**17,410,492**	**1,741.05**	17,402,938	1,740.29
Add: Issue of shares on exercise of Options	**-**	**-**	7,554	0.76
As at the end of the year	**17,410,492**	**1,741.05**	17,410,492	1,741.05

Rights issue

Out of 53,38,628 equity shares issued for cash at a premium of ₹35/- (issue price - ₹45/-) pursuant to the Rights Issue in 2005, allotment of **5,290** (31 March 2018 - 5,290) equity shares (relating to cases under litigation/ pending clearence from the concerned authorities) are kept in abeyance as on 31 March 2019.

Rights, preferences and restrictions attached to shares

The Company has only one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting except in case of interim dividend.

In the event of liquidation of the Company, the holder of equity shares are eligible to receive remaining assets of the Company in proportion to their shareholding.

Shares held by holding company

Name of the shareholder	As at 31 March 2019		As at 31 March 2018	
	Number of shares held	Amount	Number of shares held	Amount
Composure Services Private Limited	**10,291,599**	**1,029.16**	10,291,599	1,029.16

Details of Shares held by shareholders holding more than 5 % of the aggregate shares in the Company

Name of the shareholder	As at 31 March 2019		As at 31 March 2018	
	Number of shares held	Holding percentage	Number of shares held	Holding percentage
Composure Services Private Limited	**10,291,599**	**59.11%**	10,291,599	59.11%

Stock option schemes and stock appreciation rights

Information relating to Employee Option Plan, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in Note 31.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

13.2 OTHER EQUITY

Particulars	**As at 31 March 2019**	As at 31 March 2018
General reserve	**693.95**	693.95
Securities premium	**9,082.42**	9,082.42
Revaluation reserve	**10,320.87**	10,318.20
Share option outstanding reserve	**14.32**	14.37
Retained earnings	**12,927.99**	8,339.25
Equity Instrument through OCI	**7,833.12**	8,021.26
Total other equity	**40,872.67**	36,469.45

(i) General reserve : Under the erstwhile Companies Act 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, 2013 (the "Companies Act"), the requirement to mandatory transfer a specified percentage of net profit to general reserve has been withdrawn. The amount credited to the reserve can be utilised by the Company in accordance with the provisions of the Companies Act.

There is no movement in general reserve during the current and previous year.

Particulars	**As at 31 March 2019**	As at 31 March 2018
Balance at the beginning of the year	**693.95**	693.95
Balance at the end of the year	**693.95**	693.95

(ii) Securities premium : This reserve represents the premium on issue of shares and can be utilised in accordance with the provisions of the Companies Act.

Particulars	**As at 31 March 2019**	As at 31 March 2018
Balance at the beginning of the year	**9,082.42**	9,079.10
Add: 7754 Shares issue @ ₹ 43.95 per Share on exercise of Options	**-**	3.32
Balance at the end of the year	**9,082.42**	9,082.42

(iii) Revaluation surplus : This reserve represents surplus on revaluation of Property, plant and equipment (land) and will be transferred directly to retained earning when the asset is derecognised.

Particulars	**As at 31 March 2019**	As at 31 March 2018
Balance at the beginning of the year	**10,318.20**	10,357.19
Deferred tax on revaluation of land	**-**	(40.76)
Deferred tax on revaluation of PPE	**2.67**	1.77
Balance at the end of the year	**10,320.87**	10,318.20

(iv) Share options outstanding reserve : This Reserve relates to stock options granted by the Company to eligible employees under Saregama Employee Stock Option Scheme 2013. This reserve is transferred to securities premium or retained earnings on exercise or cancellations of vested options.

Particulars	**As at 31 March 2019**	As at 31 March 2018
Balance at the beginning of the year	**14.37**	8.34
Employee stock option expense	**3.05**	8.44
Reversal on account of forfeiture	**(3.10)**	(2.41)
Balance at the end of the year	**14.32**	14.37

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

(v) **Retained earnings :** This Reserve represents the cumulative profits of the Company and effects of remeasurement of defined benefit obligations. This Reserve can be utilised in accordance with the provisions of the Companies Act.

Particulars	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year	**8,339.25**	5,585.44
Net profit for the period	**5,193.02**	3,050.73
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment benefit obligation, net of tax	**22.29**	14.85
Dividends paid	**(522.31)**	(261.04)
Dividends distribution tax paid	**(107.36)**	(53.14)
Transfer from share options outstanding reserve on lapse	**3.10**	2.41
Balance at the end of the year	**12,927.99**	8,339.25

(vi) **Equity instruments through OCI (FVOCI) :** This reserve represents the cumulative gains (net of losses) arising on the revaluation of Equity Instruments at fair value through Other Comprehensive Income (OCI), net of amounts reclassified, if any, to Retained Earnings when those instruments are disposed of.

Particulars	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year	**8,021.26**	6,637.66
Changes in fair value of FVOCI equity instruments during the year	**(216.24)**	1,575.76
Deferred tax on above	**28.10**	(192.16)
Balance at the end of the year	**7,833.12**	8,021.26

14 EMPLOYEE BENEFIT OBLIGATIONS (NON-CURRENT)

	As at 31 March 2019	As at 31 March 2018
Leave encashment obligations	**245.55**	205.67
Total employee benefit obligations (non-current)	**245.55**	205.67

15 DEFERRED TAX LIABILITIES (NET)

The balance comprises temporary differences attributable to:

	Balance as at 1 April 2018	Recognised to profit or loss during the year	Other adjustments	Recognised to/ reclassified from OCI	Recognised directly to other equity	Balance as at 31 March 2019
Deferred tax liability						
Fair value changes on financial assets-equity instruments	**1,079.11**	**-**	**-**	**(28.10)**	**-**	**1,051.01**
Property, plant and equipment, intangible assets and investment property	**4,300.82**	**7.30**	**-**	**-**	**(2.67)**	**4,305.45**
Minimum guarantee royalty advance for films	**-**	**614.67**	**-**	**-**	**-**	**614.67**
Provision for royalty on licence fees	**27.07**	**88.17**	**-**	**-**	**-**	**115.24**
Total deferred tax liability	**5,407.00**	**710.14**	**-**	**(28.10)**	**(2.67)**	**6,086.37**
Deferred tax asset						
Allowance for expected credit loss	**492.77**	**(162.88)**	**-**	**-**	**-**	**329.89**
Expenditure allowable for tax purpose in subsequent years	**168.58**	**(66.77)**	**-**	**-**	**-**	**101.81**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

	Balance as at 1 April 2018	**Recognised to profit or loss during the year**	**Other adjustments**	**Recognised to/ reclassified from OCI**	**Recognised directly to other equity**	**Balance as at 31 March 2019**
Stock appreciation rights	**45.27**	**-**	**-**	**-**	**-**	**45.27**
Income received in Advance-Digital Film	**-**	**34.99**	**-**	**-**	**-**	**34.99**
Others	**142.59**	**-**	**(133.43)**	**(9.16)**	**-**	**-**
Total deferred tax asset	**849.21**	**(194.66)**	**(133.43)**	**(9.16)**	**-**	**511.96**
Net deferred tax liability	**4,557.79**	**904.80**	**133.43**	**(18.94)**	**(2.67)**	**5,574.41**

	Balance as at 1 April 2017	Recognised to profit or loss during the year	Other adjustments	Recognised to/ reclassified from OCI	Recognised directly to other equity	Balance as at 31 March 2018
Deferred tax liability						
Fair Value changes on financial assets-equity instruments	886.95	-	-	192.16	-	1,079.11
Property, plant and equipment, intangible assets and investment property	4,282.85	(21.02)	-	40.76	(1.77)	4,300.82
Provision for royalty on licence fees	29.25	(2.18)	-	-	-	27.07
Total deferred tax liability	5,199.05	(23.20)	-	232.92	(1.77)	5,407.00
Deferred tax asset						
Allowance for expected credit loss	674.73	(181.96)	-	-	-	492.77
Expenditure allowable for tax purpose in subsequent years	233.07	(64.49)	-	-	-	168.58
Stock appreciation rights	45.27	-	-	-	-	45.27
Others	-	142.59	-	(7.85)	7.85	142.59
Total deferred tax asset	953.07	(103.86)	-	(7.85)	7.85	849.21
Net deferred tax liability	4,245.98	80.66	-	240.77	(9.62)	4,557.79

16 FINANCIAL LIABILITIES (CURRENT)

16.1 BORROWINGS

	As at 31 March 2019	As at 31 March 2018
Secured		
Loan repayable on demand from banks*	**3,580.98**	1,291.74
Unsecured		
Short-term loan from bank	**2,500.00**	-
Total borrowings	**6,080.98**	1,291.74

*Cash Credit from Banks bearing interest rate between **9.25% to 10.00% p.a.** (2017-18: 9.25% to 10.70% p.a.) are secured by first pari passu charge (ranking pari passu with all consortium bankers) over the whole of the current assets of the Company including its stocks of finished goods, work in progress, bills receivable and book debts, other financial assets and all other movables, both present and future whether now lying loose or in cases wherever they may be situated and also by the second charge on the Company's movable fixed assets, both present and future ranking pari passu without any preference or priority of one over the others.

Refer Note (3), (9), (10.1), (10.2), (10.4) and (10.5) for details of carrying amount of assets pledged as security for secured borrowings and Note 33 for information about liquidity risk and market risk on borrowings.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

16.2 TRADE PAYABLES

	As at 31 March 2019	As at 31 March 2018
Trade payables		
a) Total outstanding dues of micro enterprises and small enterprises (refer below)	**1.91**	0.94
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	**5,253.24**	3,863.06
Total trade payables	**5,255.15**	3,864.00

The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to Micro and Small Enterprises are as below:

Micro and Small Enterprises :

The Company has amounts due to suppliers under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED')

		As at 31 March 2019	As at 31 March 2018
(a)	The Principal amount and interest due thereon remaining unpaid to suppliers under MSMED as at the end of accounting year		
	Principal	**0.61**	0.03
	Interest	**0.14**	0.07
(b)	The amount of interest paid in terms of Section 16 of MSMED along with the amount of payment made to suppliers beyond the appointed day during the year		
	Principal	**-**	-
	Interest	**-**	-
(c)	The amount of interest due and payable for principal paid during the year beyond the appointed day but without adding the interest specified under MSMED		
	Principal	**-**	-
	Interest	**-**	-
(d)	The amount of interest accrued and remaining unpaid at the end of the year	**0.25**	0.14
(e)	The amount of further interest remaining due and payable even in the succeeding year, until such date when interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as deductible expenditure under Section 23 of the MSMED [including ₹0.91 Lakhs (31 March 2018- ₹0.70 Lakh being interest outstanding as at the beginning of the accounting year]	**1.30**	0.91

16.3 OTHER FINANCIAL LIABILITIES

	As at 31 March 2019	As at 31 March 2018
Security deposit		
Security deposit from dealers and others	**55.68**	51.83
Security deposit from General Insurance Corporation of India on sub lease of property	**18.01**	18.01
Unpaid dividends*	**16.22**	9.21
Others		
Dealer's incentive	**573.74**	617.02
Liabilities for expenses	**1,550.02**	994.83
Employee benefits payable	**1,699.92**	1,585.05
Interest accrued and due on deposits from dealers	**46.99**	43.65
Liability towards deposits received under settlement	**152.58**	152.58
Total other financial liabilities	**4,113.16**	3,472.18

* There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the year end.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

17 OTHER CURRENT LIABILITIES

	As at 31 March 2019	As at 31 March 2018
Income received in advance	**1,094.78**	391.11
Advance from customers	**143.46**	487.57
Amount payable to Government authorities	**421.40**	282.27
Total other current liabilities	**1,659.64**	1,160.95

18 PROVISIONS

	As at 31 March 2019	As at 31 March 2018
Other provisions		
Provision for royalty on licence fees (Refer note 18.1)	**3,555.33**	3,584.62
Total provisions	**3,555.33**	3,584.62

18.1 MOVEMENT OF PROVISION FOR ROYALTY ON LICENCE FEES

	As at 31 March 2019	As at 31 March 2018
Carrying amount at the beginning of the year	**3,584.62**	2,616.81
Charged/(credited) to profit or loss		
- created during the year	**2,767.06**	1,937.15
- discounting on provision created	**(524.20)**	(253.44)
- unwinding of discount on provision created	**271.88**	260.50
- unused amounts reversed	**(988.42)**	(93.07)
Amounts utilised during the year	**(1,555.61)**	(883.33)
Carrying amount at the end of the year	**3,555.33**	3,584.62

19 EMPLOYEE BENEFIT OBLIGATIONS (CURRENT)

	As at 31 March 2019	As at 31 March 2018
Leave encashment obligations	**52.98**	46.03
Gratuity (Refer note 30)	**28.45**	26.85
Total employee benefit obligations (current)	**81.43**	72.88

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

20 REVENUE FROM OPERATIONS

	Year ended 31 March 2019	Year ended 31 March 2018
Sale of products	**28,272.65**	14,629.91
Sale of services		
Income from films and television serials	**4,764.59**	5,293.10
Licence fees	**19,384.06**	14,633.31
Other operating revenue	**15.23**	4.53
Total revenue from operations	**52,436.53**	34,560.85

Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by primary geography market, major products and service lines and timing of revenue recognition. The Company believes that this disaggregation best depicts how the nature, amount, timing of our revenues and cash flows are affected by geography and other economic factors :

	Sale of products		Licence fees		Films/Television serials	
	Year ended 31 March 2019	Year ended 31 March 2018	**Year ended 31 March 2019**	Year ended 31 March 2018	**Year ended 31 March 2019**	Year ended 31 March 2018
Revenue by Geography						
Domestic	**28,272.65**	14,577.24	**12,999.07**	9,012.56	**4,089.34**	4,940.21
International	**-**	52.67	**6,384.99**	5,620.75	**675.25**	352.89
	28,272.65	14,629.91	**19,384.06**	14,633.31	**4,764.59**	5,293.10
Timing of Revenue Recognition						
Products and services transferred at a point in time	**28,272.65**	14,629.91	**12,171.11**	8,696.59	**4,764.59**	5,293.10
Products and services transferred over time	**-**	-	**7,212.95**	5,936.72	**-**	-
Total Revenue from Contracts with customers	**28,272.65**	14,629.91	**19,384.06**	14,633.31	**4,764.59**	5,293.10

Contract Balances

The following table provides information about receivables and contract liabilities from contracts with customers.

	Year ended 31 March 2019	Year ended 31 March 2018
Receivables, which are included in 'trade and other receivables' (Refer note 10.1)	**11,295.88**	7,810.11
Contract liabilities (Refer note 17)	**1,094.78**	391.11

The contract assets primarily relate to the Company's rights to consideration for services rendered but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Company issues an invoice to the customer.

A receivable is a right to consideration that is unconditional upon passage of time. Revenue from the sale of products is recognised at the point in time when control is transferred to the customer. Revenue for fixed price licence fees contracts is recognised on a straight line basis over the period of the contract. Revenues in excess of billings is recorded as unbilled revenue and is classified as a financial asset for these cases as right to consideration is unconditional upon passage of time.

Invoicing in excess of earnings are classified as unearned revenue.

Unbilled revenues are presented net of impairment in the Standalone Balance Sheet.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

Changes in contract liabilities are as follows:

	Year ended 31 March 2019	Year ended 31 March 2018
Balance at the beginning of the year	**391.11**	431.75
Revenue recognised that was included in the contract liabilities at the beginning of the year	**(391.11)**	(431.75)
Increase due to invoicing during the year, excluding amounts recognised as revenue during the year	**1,094.78**	391.11
Balance at the end of the year	**1,094.78**	391.11

The Company has entered into a few contracts where the period between the transfer of the promised goods or services to the customer and payments by the customer exceeds one year and hence, there exists a financing component included in such contracts. On evaluation of the terms of the contracts, the effects of financing have not been found to be significant and the same has been adjusted accordingly.

Reconciliation of revenue recognised with the contracted price is as follows:

	Year ended 31 March 2019	Year ended 31 March 2018
Contracted prices	**53,627.47**	35,492.47
Reductions towards variable consideration components	**(1,206.17)**	(936.15)
Revenue recognised	**52,421.30**	34,556.32

The reduction towards variable consideration comprises of volume discounts, incentives, etc.

Performance obligation

The following table provides information about the nature and timing of performance obligation in contracts with customers, including significant payment terms and related revenue recognition policies:

Type of product	**Nature and timing of satisfaction of performance obligation, including significant payment terms**	**Revenue recognition under Ind AS 115 (applicable from 1 April 2018)**
Physical products	In case of sales of products, customer obtain control of the products when the goods are dispatched from the Company's warehouse. Invoices are generated and revenue is recognised at that point in time.	Revenue from the sale of products is recognised at the point in time when control is transferred to the customer. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.
	For sale of product on a bill-and hold basis, for a customer to have obtained control of a product in a bill-and-hold arrangement, Company has applied the guidance as set out in Ind AS 115.	Company recognises revenue when it satisfies its performance obligation to transfer the control of a product to the customer. For a customer to have obtained control of a product in a bill-and-hold arrangement, Company has applied the guidance as set out in Ind AS 115.
Music Licensing	The performance obligation of "right-to-use" of Music Licensing contracts gets satisfied at the time of entering into agreement/ contracts with customers. In case of "right-to-access" of Music Licensing contracts, the Company undertakes activities that significantly affect the Music Licenses to which the customer has rights. In these cases, the performance obligation gets complete when the Customers accesses the music licenses. Payment is made as per the terms of the Contract.	Revenue from Music licensing where the customer obtains a "right to use" is recognized at the time the license is made available to the customer. Revenue from licenses where the customer obtains a "right to access" is recognized over the access period.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

Sale of Television Software	In case of sale of TV Software, customer obtain control of the TV Software when the same is delivered to them and revenue is recognised at that point in time.	Revenue from the sale of television software is recognised upfront at the point in time when the software is delivered to the customer.
Sale of Free Commercial Time	The performance obligation gets satisfied at the time when the related advertisement or commercials appears before the public, i.e. on telecast.	Revenue from sale of free commercial time (net of trade discount, as applicable) are recognised when the related advertisement or commercials appears before the public, i.e. on telecast.
Theatrical Distribution of Films	The performance obligation gets satisfied at the time of exhibition of films.	Revenue from theatrical distribution is recognised on exhibition of films. In case of distribution through theatres, revenue is recognised on the basis of box office reports received from various exhibitors. Contracted minimum guarantees are recognised on theatrical release.
Sale of Film Rights	The performance obligation gets satisfied at the time of assignment of such rights as per terms of the sale/licencing agreements. The billing schedules agreed with customers include periodic performance based payments and / or milestone based progress payments. Invoices are payable within contractually agreed credit period.	Revenue from Sale of films rights are recognised on assignment of such rights as per terms of the sale/ licencing agreements.

21 Other income

	Year ended 31 March 2019	Year ended 31 March 2018
Liabilities/Provisions no longer required written back	**999.80**	353.00
Provision for doubtful debts/ advances no longer required written back	**7.38**	82.58
Interest income under effective interest method (refer note below)	**1,391.17**	772.91
Dividend income from equity investments designated at FVOCI*	**220.52**	151.20
Profit on sale of property, plant and equipment	**0.88**	0.14
Profit on sale of Investment in Mutual Fund	**0.43**	-
Rent income (Refer note 40.2)	**22.79**	21.75
Net gain on foreign currency transactions/ translation	**90.20**	34.32
Insurance claim against fire (Refer note 45)	**3,218.72**	-
Other non-operating income	**2.59**	5.76
Total other income	**5,954.48**	1,421.66

Note:

Above Interest income comprises :		
- Interest income on bank balances and bank deposits	**11.15**	22.57
- Interest income on income tax refund	**280.63**	28.61
- Interest income on inter corporate deposits/loans	**516.85**	424.53
- Unwinding of discount on financial assets	**46.30**	41.17
- Discounting of financial liabilities/provision	**524.20**	253.44
- Other interest	**12.04**	2.59
Total interest income	**1,391.17**	772.91

* All dividends from equity investments designated at FVOCI relate to investments held at the end of the reporting year.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

22 CONTRACT MANUFACTURING CHARGES

	Year ended 31 March 2019	Year ended 31 March 2018
Contract manufacturing charges	**21,481.37**	10,516.56
Total contract manufacturing charges	**21,481.37**	10,516.56

23 COST OF PRODUCTION OF FILMS AND TELEVISION SERIALS

	Year ended 31 March 2019	Year ended 31 March 2018
Cost of production of films and television serials	**4,882.90**	5,222.52
Total cost of production of films and television serials	**4,882.90**	5,222.52

24 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS [(INCREASE)/DECREASE]

	Year ended 31 March 2019		Year ended 31 March 2018	
Opening stock				
- Finished goods- Untelecasted television serials/digital films	**110.47**		124.84	
- Finished goods- Carvaan/music card and others	**3,464.84**		146.27	
- Work-in-progress- Digital films under production	**1,149.42**	**4,724.73**	717.93	989.04
Less: Closing stock				
- Finished goods- Untelecasted television serials/digital films	**479.37**		110.47	
- Finished goods- Carvaan/music card and others	**7,153.78**		3,464.84	
- Work-in-progress- Digital films under production	**1,611.10**	**9,244.25**	1,149.42	4,724.73
Net (increase)		**(4,519.52)**		(3,735.69)

25 EMPLOYEE BENEFITS EXPENSE

	Year ended 31 March 2019		Year ended 31 March 2018	
Salaries and wages		**4,029.69**		4,486.32
Share based payment expense		**3.05**		8.44
Contributions to:				
Provident fund	**143.02**		120.62	
Superannuation fund	**13.22**		12.03	
Gratuity fund (Refer note 30)	**74.17**		68.01	
Employee's State Insurance Scheme	**5.29**	**235.70**	2.75	203.41
Staff welfare expenses		**137.56**		164.98
Total employee benefits expense		**4,406.00**		4,863.15

26 FINANCE COSTS

	Year ended 31 March 2019	Year ended 31 March 2018
Interest expense on financial liabilities measured at amortised cost:		
- on loan and others	**342.24**	52.50
- unwinding of discount on financial liabilities/provision	**271.88**	260.50
Other borrowing costs	**41.04**	23.69
Total finance costs	**655.16**	336.69

27 DEPRECIATION AND AMORTISATION EXPENSE

	Year ended 31 March 2019	Year ended 31 March 2018
Depreciation on property, plant and equipment	**169.68**	211.73
Depreciation on investment properties	**5.53**	5.53
Amortisation on intangible assets	**126.10**	161.80
Total depreciation and amortisation expense	**301.31**	379.06

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

28 OTHER EXPENSES

	Year ended 31 March 2019	Year ended 31 March 2018
Power and fuel	**94.06**	113.71
Rent (Refer note 40.1)	**334.44**	315.54
Repairs - buildings	**18.62**	16.19
- machinery	**1.51**	1.35
- others	**17.40**	20.98
Royalties	**5,597.70**	3,368.64
Recording expenses	**30.87**	126.20
Carriage, freight and forwarding charges	**1,774.45**	918.86
Rates and taxes	**666.11**	96.57
Insurance	**57.30**	20.82
Travel and conveyance	**547.79**	445.40
Advertisement and sales promotion	**9,992.09**	4,010.24
Printing and communication expenses	**310.75**	313.54
Bad debts/advances written off (Refer note 28.1)	**22.39**	52.66
Allowance for expected credit loss / provision for doubtful advances (net of reversal) [include provision for subsidiary companies Refer note 35]	**1,294.56**	2,132.56
Loss on disposal of property, plant and equipment	**0.21**	-
Legal/consultancy expenses	**1,212.47**	1,406.84
Corporate social responsibility expenses (Refer note 28.2)	**70.22**	57.00
Payment to auditors (Refer note 38)	**59.61**	52.41
Miscellaneous expense	**854.72**	819.07
Total other expense	**22,957.27**	14,288.58

28.1 Charge for previous year include bad debts / advances written off of ₹1,473.65 Lakhs offset with provision for doubtful debts / advances no longer required written back of the equivalent amount.

28.2 Corporate Social Responsibility Expenses

	Year ended 31 March 2019	Year ended 31 March 2018
(a) Gross Amount required to be spent by the Company during the year	**70.22**	56.96
(b) Amount paid to RP-Sanjiv Goenka Group CSR Trust towards purposes other than construction/acquisition of assets	**70.22**	57.00

(c) There is no provision outstanding as at 31 March 2019 and 31 March 2018.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

29 Tax Expenses (Refer note 46)

A. Tax expense recognised in the Statement of Profit and Loss

	Year ended 31 March 2019	Year ended 31 March 2018
Current tax		
Current tax on profits for the year	**2,128.70**	980.25
Total current tax	**2,128.70**	980.25
Deferred tax		
Decrease/ (increase) in deferred tax assets	**194.66**	103.86
(Decrease)/ increase in deferred tax liabilities	**710.14**	(23.20)
Total deferred tax expense charge/(credit)	**904.80**	80.66
Total tax expense	**3,033.50**	1,060.91

B. Amount recognised in other comprehensive income

	Year ended 31 March 2019	Year ended 31 March 2018
The tax charge arising on income and expenses recognised in Other Comprehensive Income are as follows:		
Deferred tax		
On items that will not be reclassified to profit or loss		
Remeasurements of post-employment benefit obligations	**(9.16)**	(7.86)
Changes in fair value of equity instruments designated at FVOCI	**28.10**	(192.16)
Revaluation gains relating to property, plant and equipment	**-**	(40.75)
Total	**18.94**	(240.77)

C. Reconciliation of tax expense

	Year ended 31 March 2019	Year ended 31 March 2018
Profit before tax	**8,226.52**	4,111.64
Income tax expense calculated @ **29.12%** (31 March 2018 - 34.61%)	**2,395.56**	1,422.96
Adjustments:		
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Items not deductible for tax purposes	**537.53**	552.34
Effect of income not taxable	**(52.33)**	(181.59)
Other items	**2.03**	2.03
Impact of change in statutory tax rate	**150.71**	(6.63)
Adjustment in respect of Minimum Alternate Tax (MAT) credit utilised	**-**	(728.20)
Tax expense	**3,033.50**	1,060.91

The tax rate used in the above reconciliation for the year 2018-19 is the tax rate of **29.12%** (25% + surcharge @ 12% and education cess @ 4%) as against tax rate of 34.61% (30% + surcharge @ 12% and education cess @ 3%) for the year 2017-18 payable on taxable profits under the Income Tax Act, 1961.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

30 ASSETS AND LIABILITIES RELATING TO EMPLOYEE BENEFITS

(I) Post-employment defined benefit plans:

(A) Gratuity (funded)

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. As per the plan, the Saregama India Limited Employees Group Gratuity Fund (Gratuity Fund), administered and managed by the Trustees and funded primarily with Life Insurance Corporation of India (LICI) and ICICI Prudential Life Insurance Company Limited, make payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Trustees are responsible for the overall governance of the plan and to act in accordance with the provisions of the trust deed and rules in the best interests of the plan participants. Each year an Asset-Liability matching study is performed in which the consequences of the strategic investment policies are analysed in terms of risk and return profiles. Investment and contribution policies are integrated within this study. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation as set out in Note 1(r)(iii) above, based upon which, the Company makes contributions to the Employees' Gratuity Funds.

The following table sets forth the particulars in respect of the Gratuity Plan (funded) of the Company:

		31 March 2019	31 March 2018
(a)	**Reconciliation of opening and closing balances of the present value of the defined benefit obligation:**		
	Present value of obligation at the beginning of the year	**511.91**	474.78
	Current service cost	**73.70**	64.56
	Interest cost	**34.59**	31.95
	Remeasurements (gains) / losses		
	Actuarial (gain)/ loss arising from changes in financial assumptions	**3.83**	(15.76)
	Actuarial (gain)/ loss arising from changes in experience adjustments	**1.60**	5.92
	Actuarial (gain)/ loss arising from changes in demographic adjustments	**(36.39)**	-
	Benefits paid	**(101.34)**	(49.54)
	Present value of obligation at the end of the year	**487.90**	511.91
(b)	**Reconciliation of the opening and closing balances of the fair value of plan assets:**		
	Fair value of plan assets at the beginning of the year	**485.06**	359.10
	Interest Income	**34.12**	28.50
	Remeasurements gains / (losses)		
	Return on plan assets (excluding amount included in net interest cost)	**0.49**	12.86
	Contributions by employer	**30.00**	118.00
	Benefits paid	**(90.22)**	(33.40)
	Fair value of plan assets at the end of the year	**459.45**	485.06
(c)	**Reconciliation of the present value of the defined benefit obligation and the fair value of plan assets:**		
	Present value of obligation at the end of the year	**487.90**	511.91
	Fair value of plan assets at the end of the year	**459.45**	485.06
	Liabilities recognised in the balance sheet	**28.45**	26.85
(d)	**Actual return on plan assets**	**34.61**	41.36
(e)	**Re-measurements losses/(gains) recognised in the Other Comprehensive Income**		
	Return on plan assets (excluding amount included in net interest cost)	**(0.49)**	(12.86)
	Effect of changes in financial assumptions	**3.83**	(15.76)
	Effect of changes in experience adjustments	**1.60**	5.92
	Effect of changes in demographic adjustments	**(36.39)**	-
	Total re-measurement losses/(gains) included in Other Comprehensive Income	**(31.45)**	(22.70)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

		31 March 2019	31 March 2018
(f)	**Expense recognised in Statement of Profit or Loss:**		
	Current service cost	**73.70**	64.56
	Net interest cost	**0.47**	3.45
	Total expense recognised in Statement of Profit and Loss (refer note 25)	**74.17**	68.01
(g)	**Category of plan assets:**	**In %**	In %
	(a) Fund with Life Insurance Corporation of India	**61%**	66%
	(b) NAV based Group Balanced Fund with ICICI Prudential Life Insurance Company Limited	**20%**	17%
	(c) NAV based Group Short Term Debt Fund with ICICI Prudential Life Insurance Company Limited	**9%**	8%
	(d) NAV based Group Debt Fund with ICICI Prudential Life Insurance Company Limited	**10%**	9%
		100%	100%
(h)	**Maturity profile of defined benefit obligation:**		
	Within 1 year	**218.58**	246.07
	1-2 year	**20.34**	1.28
	2-5 years	**75.11**	29.90
	Over 5 years	**314.91**	126.33
(i)	**Principal actuarial assumptions:**		
	Discount rate	**7.10%**	7.50%
	Salary growth rate	**10.00%**	10.00%

Assumptions regarding future mortality experience are based on mortality tables of 'Indian Assured Lives Mortality (2006-2008)' published by the Institute of Actuaries of India.

The estimate of future salary increases takes into account inflation, seniority, promotion and other relevant factors, such as demand and supply in the employment market.

(j) Sensitivity analysis	**Change in Assumption**	**Impact on defined benefit obligation (2018-19)**	Impact on defined benefit obligation (2017-18)
Discount rate	Increase by 1%	**Decrease by ₹25.86 Lakhs**	Decrease by ₹34.70 Lakhs
	Decrease by 1%	**Increase by ₹30.04 Lakhs**	Increase by ₹41.72 Lakhs
Salary growth rate	Increase by 1%	**Increase by ₹28.93 Lakhs**	Increase by ₹40.29 Lakhs
	Decrease by 1%	**Decrease by ₹25.45 Lakhs**	Decrease by ₹34.27 Lakhs

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied when calculating the defined benefit obligation recognised in the Balance Sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(k) The Company expects to contribute **₹65 Lakhs** (previous year - ₹30 Lakhs) to the funded gratuity plans during the next financial year.

(l) The weighted average duration of the defined benefit obligation as at 31 March 2019 is **6 years** (31 March 2018 – 11 years).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

(II) Post-employment defined contribution plans

(A) Superannuation fund

Certain categories of employees of the Company participate in superannuation, a defined contribution plan administered by the Trustees. The Company makes yearly contributions based on a specified percentage of each covered employee's salary. The Company has no further obligations under the plan beyond its annual contributions.

During the year, an amount of **₹13.22 Lakhs** (previous year- ₹12.03 Lakhs) has been recognised as expenditure towards above defined contribution plan of the Company. (Refer note 25)

(B) Provident fund

All categories of employees of the Company receive benefits from a provident fund, a defined contribution plan. Both the employee and employer make monthly contributions to a government administered fund at specified percentage of the covered employee's qualifying salary. The Company has no further obligations under the plan beyond its monthly contributions.

During the year, an amount of **₹143.02 Lakhs** (previous year- ₹120.62 Lakhs) has been recognised as expenditure towards above defined contribution plan of the Company. (Refer note 25)

(III) Leave obligations

The Company provides for accumulation of leave by certain categories of its employees. These employees can carry forward a portion of the unutilised leave balances and utilise it in future periods or receive cash (only in case of earned leave) in lieu thereof as per the Company's policy. The Company records a provision for leave obligations in the period in which the employee renders the services that increases this entitlement.

The total provision recorded by the Company towards this obligation was **₹ 298.53 Lakhs** and ₹251.70 Lakhs as at 31 March 2019 and 31 March 2018 respectively. The amount of the provision is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

	31 March 2019	31 March 2018
Leave provision not expected to be settled within the next 12 months (Refer note 14)	**245.55**	205.67

(IV) Risk exposure

Through its defined benefit plans, the Company is exposed to some risks, the most significant of which are detailed below:

<u>Discount rate risk</u>

The Company is exposed to the risk of fall in discount rate. A fall in discount rate will eventually increase the ultimate cost of providing the above benefit thereby increasing the value of the liability.

<u>Salary growth risks</u>

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

<u>Demographic risk</u>

In the valuation of the liability, certain demographic (mortality and attrition rates) assumptions are made. The Company is exposed to this risk to the extent of actual experience eventually being worse compared to the assumptions thereby causing an increase in the benefit cost.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

31 SHARE BASED PAYMENTS

(a) Employee stock option scheme

The establishment of the Employee Stock Option Scheme 2013 (Scheme) was approved by the shareholders at the Annual General Meeting held on 26 July 2013. The Scheme is designed to provide incentives to eligible employees to deliver long term returns. Under the Scheme each Option entitles the holder thereof to apply for and be allotted one equity shares of the Company of ₹10 each upon payment of the exercise price during the exercise period.

The exercise period commences from the date of vesting of the Options and expires at the end of 10 years from the date of vesting. The Options have been granted at the 'market price' as defined under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

Performance linked vesting schedule of the said options is as follows :-

- After 1 year from the date of grant : 20 % of the options granted
- After 2 years from the date of grant : 20 % of the options granted
- After 3 years from the date of grant : 20 % of the options granted
- After 4 years from the date of grant : 20 % of the options granted
- After 5 years from the date of grant : 20 % of the options granted

Information in respect of Options granted under the Scheme :

Pursuant to approved Scheme, the Compensation Committee / Nomination and Remuneration Committee of the Board of Directors has granted shares / options during 2013-14, 2016-17 and 2017-18 to certain eligible employees and outstanding as on 31 March 2019 at the following exercise price, being prevailing market price as on date of joining / revision of salary of respective employee:

Name of eligible employees	As at 31 March 2019		As at 31 March 2018	
	No. of options/ shares	Exercise price per share (₹)	No. of options/ shares	Exercise price per share (₹)
Mr. G. B. Aayeer, Chief Financial Officer and Director (upto 28 May 2018)	9529	69.85	10000	69.85
Mr. Kumar Ajit, Vice President - Sales and marketing	10000	243.70	10000	243.70
Mr. Rohit Chopra, Senior Vice President - Legal	-	-	10000	717.00

Exercise of options by the option holders shall entail issuance of equity shares by the Company on compliance / completion of related formalities on the basis of 1:1.

During the year 2018-19, 10000 Options granted in 2017-18 to Mr.Rohit Chopra with exercise price of ₹717.00 per share was lapsed in 2018-19 on his resignation. Further, 471 options out of 10000 options granted to Mr.G.B.Aayeer with exercise price of ₹69.85 per share was lasped on his retirement.

Measurement of fair value

The fair value of Employee Stock Options as on the date of grant was determined using the Black Scholes Model which takes into account the share price at the measurement date, expected price volatility of the underlying share, the expected dividend yield and risk free interest rate and carrying amount of liability included in employee benefit obligations. :

The fair value of the options and the inputs used in the measurement of fair value as on the grant date are as follows:

	G. B. Aayeer	Kumar Ajit
Fair value at grant date (₹)	49.48	141.90
Share price at grant date (₹)	69.85	243.70
Exercise price (₹)	69.85	243.70
Expected volatilty	57.30%	55.96%
Expected Life (expected weighted average life)	13 Years	8 Years
Expected dividend	0.50%	1.34%
Risk free interest rate (based on Government bonds)	9%	7%

Expected volatility has been based on the evaluation of the historical volatility of the Company's share price, particularly over the historical period commensurate with the expected term. The Expected term of the instruments has been based on the historical experience and general option holder behaviour.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

Reconciliation of outstanding share options

	31 March 2019	31 March 2018
Number of Options Outstanding at the beginning of the year	**30000**	30000
Number of Options granted during the year	**-**	10000
Number of Options forfeited/lapsed during the year	**10471**	2446
Number of Options Vested during the Year	**5940**	7143
Number of Options Exercised during the year	**-**	7554
Number of Shares Arising as a result of exercise of Options	**-**	7554
Number of Options Outstanding at the end of the year	**19529**	30000
Number of Options Excercisable at the end of the year	**13529**	7589

The Options were exercised during the period permitted under the Scheme, and weighted average share price of shares arising upon exercise of Options, based on the closing market price on NSE on the date of exercise of Options for the year ended 31 March 2018 was ₹ 498.80. No options has been exercised during the year ended 31 March 2019.

(b) Stock appreciation rights

The Nomination and Remuneration Committee of the Board of Directors has granted Stock Appreciation Rights ("SAR") to certain eligible employees pursuant to the Company's Stock Appreciation Rights Scheme 2014 and Stock Appreciation Rights Scheme 2018 (together referred to as "Schemes"). The grant price is determined as defined in the Scheme. The Schemes have different performance linked vesting schedules. Under the Scheme, the specified eligible employees are entitled to receive cash payment, being the difference in the share price between the date of grant and the date of exercise subject to certain conditions. The Schemes are administered by Nomination and Remuneration Committee.

Details of SAR Schemes	**SAR Scheme'2014**	**SAR Scheme'2018**
Grant Date	27 October 2014	31 July 2018
Grant Price (₹)	170.65	416.20
Vesting Schedule	66% after 1 year from grant date 34% after 2 years from grant date	40% after 1 year from grant date 20% after 2 years from grant date 20% after 3 years from grant date 20% after 4 years from grant date

	As at 31 March		**As at 31 March**	
	2019	2018	**2019**	2018
Number of SAR outstanding at the beginning of the year	**200000**	200000	**-**	-
Add : Granted during the year	**-**	-	**100000**	-
Less : Forfeited / lapsed during the year	**-**	-	**-**	-
Less : Exercised during the year	**-**	-	**-**	-
Number of SAR outstanding at the end of the year	**200000**	200000	**100000**	-
Fair value of SAR at the end of the year (₹)	**456.10**	518.50	**390.54**	-
Carrying amount of liability - included in employee benefits payable (₹in Lakhs) (Refer Note 16.3)	**912.20**	1037.00	**156.73**	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

The fair value of SAR was determined using the Black Scholes Model using the following inputs at the grant date and at each reporting dates:

	SAR Scheme'2014		SAR Scheme'2018	
	As at 31 March		As at 31 March	
	2019	2018	**2019**	2018
Share price at measurement date (₹ per share)	**589.80**	655.70	**589.8**	-
Exercise price (₹ per share)	**170.65**	170.65	**416.20**	-
Expected time (in years)	**3.80**	4.29	**6.50**	-
Expected volatility (%)	**54.80%**	56.80%	**53.88%**	-
Dividend yield (%)	**0.55%**	0.81%	**0.55%**	-
Risk-free interest rate (%)	**6.85%**	7.00%	**7.24%**	-

(c) Expense arising from share based payment transactions

Total expenses arising from share-based payment transactions recognised in Statement of Profit and Loss as part of employee benefit expense are as follows:

	Year ended 31 March 2019	Year ended 31 March 2018
Employee stock option scheme	**3.05**	8.44
Share appreciation rights	**31.93**	780.20

32 FAIR VALUE MEASUREMENTS

(i) Financial instruments by category

	Notes	**As at 31 March 2019**	As at 31 March 2018
		Carrying Amount / Fair Value	Carrying Amount / Fair Value
A. Financial assets			
(a) Measured at fair value through OCI			
Investments			
Equity instruments	7.1	**12,123.59**	12,339.83
Sub total		**12,123.59**	12,339.83
(b) Measured at amortised cost			
Trade receivables	10.1	**11,295.88**	7,810.11
Cash and cash equivalents	10.2	**144.74**	635.79
Other bank balances	10.3	**178.58**	161.79
Loans	7.2,10.4	**585.67**	398.01
Other financial assets	7.3,10.5	**9.70**	5.16
Sub total		**12,214.57**	9,010.86
Total financial assets		**24,338.16**	21,350.69
B. Financial liabilities			
Measured at amortised cost			
Borrowings	16.1	**6,080.98**	1,291.74
Trade payables	16.2	**5,255.15**	3,864.00
Other financial liabilities	16.3	**4,113.16**	3,472.18
Total financial liabilities		**15,449.29**	8,627.92

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

(ii) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are

(a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows below.

Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: Inputs other than quoted price included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

The fair value of financial instruments that are not traded in an active market is determined using market approach and valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

If one or more of the significant inputs is not based on observable market data, the fair value is determined using generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparty.

The fair value of trade receivables, trade payables, cash and cash equivalents, other bank balances, loans and other financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short-term nature. Similarly, unquoted equity instruments where most recent information to measure fair value is insufficient, or if there is a wide range of possible fair value measurements, cost has been considered as the best estimate of fair value.

There has been no change in the valuation methodology for Level 3 inputs during the year. The Company has classified certain financial instruments under Level 3 of the fair value hierarchy. There were no transfers between Level 1 and Level 2 during the year.

	Fair Value Hierarchy Level	As at 31 March 2019	As at 31 March 2018
Financial assets			
Measured at fair value through OCI			
Investments			
Equity instruments (quoted)	1	**11,984.06**	12,175.28
Equity instruments (un-quoted)	3	**139.53**	164.55
		12,123.59	12,339.83

Level 3 fair values - Movement in the values of unqouted equity instruments

The following table shows a reconciliation from the opening balance to the closing balance for Level 3 fair values:

Particulars	FVOCI Equity Instruments
Balance at 1 April 2017	164.55
Gain / (loss) included on OCI	
- Net change in fair value (unrealised)	-
Balance at 31 March 2018	164.55
Balance at 1 April 2018	**164.55**
Gain / (loss) included on OCI	
- Net change in fair value (unrealised)	**(25.02)**
Balance at 31 March 2019	**139.53**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

33 FINANCIAL RISK MANAGEMENT

The Company has a system-based approach to risk management, anchored to policies and procedures and internal financial controls aimed at ensuring early identification, evaluation and management of key financial risks (such as market risk, credit risk and liquidity risk) that may arise as a consequence of its business operations as well as its investing and financing activities.

Accordingly, the Company's risk management framework has the objective of ensuring that such risks are managed within acceptable and approved risk parameters in a disciplined and consistent manner and in compliance with applicable regulation. It also seeks to drive accountability in this regard.

This Note explains the sources of risk which the entity is exposed to and how the entity manages the risk. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

(A) Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The Company is exposed to credit risk from its operating activities (primarily Trade Receivables) and from its investing activities (primarily Deposits with Banks).

Trade receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers. Customer credit risk is managed by respective segment subject to the Company's policy and procedures which involve credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. The Company's customer base is large and diverse limiting the risk arising out of credit concentration. Further, credit is extended in business interest in accordance with business-specific credit policies. The Company's exposure to trade receivables on the reporting date, net of expected loss provisions, stood at **₹11,295.88 Lakhs** as on 31 March 2019 (31 March 2018 - ₹7,810.11 Lakhs).

All overdue customer balances are evaluated taking into account the age of the dues, specific credit circumstances, the track record of the counterparty etc. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors and the Company's historical experience with customers.

The movement of the expected loss provision (allowance for bad and doubtful receivables) made by the Company are as under:

Particulars	Expected loss provision	
	As at 31 March 2019	As at 31 March 2018
Opening balance	**1,410.16**	1,949.62
Add: Provision made during the year (net)	**135.86**	595.18
Less: Utilisation for impairment/de-recognition/reversal of provision	**(601.97)**	(1,134.64)
Closing balance	**944.05**	1,410.16

Other financial assets

Credit risk from balances with banks, term deposits and investments is managed by Company's finance department. Investments of surplus are made within assigned credit limits with approved counterparties who meet the threshold requirements with respect to ratings, financial strength, credit spreads etc. Counterparty credit limits are set to minimize concentration risk and are reviewed periodically by the Board of Directors.

The Company's maximum exposure to credit risk for the components of the Balance Sheet as of 31 March 2019 and 31 March 2018 is the carrying amounts as disclosed in Note 7.3, 10.3 and 10.5.

(B) Liquidity risk

Liquidity risk refers to the risk that the Company fails to honour its financial obligations in accordance with terms of contract. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions.

Management monitors rolling forecasts of the company's liquidity position (including the undrawn credit facilities extended by banks and financial institutions) and cash and cash equivalents on the basis of expected cash flows. In addition, the Company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

The following table shows a maturity analysis of the anticipated cash flows including interest obligations for the Company's non-derivative financial liabilities on an undiscounted basis (all payable within 12 months), which therefore does not differ from their carrying value as the impact of discounting is not significant.

Non-derivative financial liabilities	**As at 31 March 2019**	As at 31 March 2018
(i) Borrowings including interest obligation (Refer note 16.1)	**6,080.98**	1,291.74
(ii) Trade payables (Refer note 16.2)	**5,255.15**	3,864.00
(iii) Other financial liabilities (Refer note 16.3)	**4,113.16**	3,472.18
	15,449.29	8,627.92

The Company does not have derivative financial liabilities as at the end of above mentioned reporting periods.

(C) Market risk

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company transacts business in local currency and in foreign currencies (primarily US Dollars and GBP). The Company has foreign currency trade receivables, trade payables and advances and is therefore exposed to foreign currency risk. The risk is measured through a forecast of highly probable foreign currency cash flows.

The Company's risk management policy is hedging of net foreign currency exposure at all points in time through foreign exchange forward contracts. The objective of the hedging is to eliminate the currency risk due to volatility in exchange rates.

(a) Foreign currency risk exposure:

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

	As at 31 March 2019		As at 31 March 2018	
	Financial Assets	**Financial Liabilities**	Financial Assets	Financial Liabilities
USD	**534.48**	**114.65**	1,399.89	0.36
GBP	**947.09**	**-**	867.25	-
Others	**221.62**	**-**	43.79	-
Total	**1,703.19**	**114.65**	2,310.93	0.36

Net Exposure to Foreign Currency Risk (Assets - Liabilities)	**As at 31 March 2019**	As at 31 March 2018
USD	**419.83**	1,399.53
GBP	**947.09**	867.25
Others	**221.62**	43.79
Total	**1,588.54**	2,310.57

(b) Sensitivity

The sensitivity of profit or loss to changes in the foreign exchange rates arises mainly from foreign currency denominated financial instruments. 10 % appreciation / depreciation of the respective foreign currencies with respect to functional currency (holding all other variables constant) of the Company would result in increase / decrease in the Company's profit before tax as computed below:

	Impact on profit before tax	
	Year ended 31 March 2019	Year ended 31 March 2018
USD sensitivity		
INR/USD -Increase by 10%	**41.98**	139.95
INR/USD -Decrease by 10%	**(41.98)**	(139.95)
GBP sensitivity		
INR/GBP-Increase by 10%	**94.71**	86.73
INR/GBP-Decrease by 10%	**(94.71)**	(86.73)
Other currencies sensitivity		
INR/Others-Increase by 10%	**22.16**	4.38
INR/Others-Decrease by 10%	**(22.16)**	(4.38)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to risk of changes in market interest rates relates primarily to the Company's debt interest obligation. Further the Company engages in financing activities at market linked rates, any changes in the interest rate environment may impact future rates of borrowings.

The Company's investments in term deposits with bank are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of changes in market interest rates.

The exposure of the Company's financial assets and financial liabilities to interest rate risk is as follows:

	31 March 2019		31 March 2018	
	Floating Rate	**Fixed Rate**	Floating Rate	Fixed Rate
Financial assets	**-**	**162.36**	-	152.58
Financial liabilities	**3,580.98**	**2,500.00**	1,291.74	-
	3,580.98	**2,662.36**	1,291.74	152.58

Increase/ decrease of 50 basis points (holding all other variables constant) in interest rates at the balance sheet date would result in increase/decrease of ₹ **17.90 Lakhs** (31 March 2018 - ₹6.46 Lakhs) in interest expense on financial liabilities with floating interest rate and corresponding impact on profit before tax for the year ended 31 March 2019.

The Company invests its surplus funds in fixed deposits. Fixed deposits are held with highly rated banks and have a short tenure and are not subject to interest rate volatility.

(iii) Securities price risk

Securities price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded prices. The Company is not an active investor in equity markets; it continues to hold certain investments in equity for long term value accretion which are accordingly measured at fair value through Other Comprehensive Income. The value of investments in such equity instruments (including quoted and unquoted) as at 31 March 2019 is ₹**12,123.59 Lakhs** (31 March 2018 - ₹12,339.83 Lakhs). Accordingly, fair value fluctuations arising from market volatility is recognised in Other Comprehensive Income.

34 CAPITAL MANAGEMENT

(a) Risk management

The Company's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital on the basis of net debt to equity ratio and maturity profile of overall debt portfolio of the Company.

Net debt implies total borrowings of the Company as reduced by Cash and Cash Equivalent and Equity comprises all components attributable to the owners of the Company.

The following table summarises the capital of the Company:

	As at 31 March 2019	As at 31 March 2018
Total borrowings (Refer note 16.1)	**6,080.98**	1,291.74
Less: Cash and cash equivalents (Refer note 10.2)	**(144.74)**	(635.79)
Net Debt	**5,936.24**	655.95
Equity (Refer note 13.1 and 13.2)	**42,613.72**	38,210.50
Net Debt to Equity Ratio	**0.14**	0.02

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

Under the terms of the borrowing facilities, the Company has complied with the financial covenants as imposed by the bank and financial institutions.

No changes were made to the objectives, policies or processes for managing capital during the years ended **31 March 2019** and 31 March 2018.

(b) Dividend on equity shares

	Year ended 31 March 2019	Year ended 31 March 2018
Dividend declared and paid during the year		
Final dividend for the year ended 31 March 2018 of ₹3.00 (31 March 2017 - ₹1.50) per fully paid share	**522.31**	261.04
Dividend distribution tax on above	**107.36**	53.14
	629.67	314.18
Proposed dividend not recognised at the end of the reporting period		
In addition to the above dividend, since year end the directors have recommended the payment of a final dividend of **₹3.00** per fully paid share (31 March 2018 – ₹3.00). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting. Hence, no liability has been recognised in books.	**522.31**	522.31
Dividend distribution tax on above	**107.36**	107.36
	629.67	629.67

35 RELATED PARTY DISCLOSURES

Where control exists

a) Parent entity

The Company is controlled by the following entity w.e.f. 29 March 2017

			Ownership interest	
Name	**Type**	**Place of incorporation**	**As at 31 March 2019**	As at 31 March 2018
Composure Services Private Limited (CSPL)	Holding Company	India	**59.11%**	59.11%

b) Subsidiaries

The Company has following subsidiaries and step down subsidiary companies:-

Name	**Type**	**Place of incorporation**	**As at 31 March 2019**	As at 31 March 2018
Saregama Plc. (SPLC)	Subsidiary Company	United Kingdom	**76.41%**	76.41%
RPG Global Music Limited (RPGG)	Wholly Owned Subsidiary Company	Mauritius	**100%**	100.00%
Kolkata Metro Networks Limited (KMNL)	Wholly Owned Subsidiary Company	India	**100%**	100.00%
Open Media Network Private Limited (OMNPL)	Wholly Owned Subsidiary Company	India	**100%**	100.00%
Saregama FZE (SFZE)	Wholly Owned Subsidiary Company	UAE	**100%**	-
Saregama Inc	Step-down Subsidiary Company	USA	**76.41%**	76.41%

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

c) Joint venture

Saregama Regency Optimedia Private Limited (SROPL) (under liquidation effective 19 September 2016)

d) Key management personnel (KMP) of the Company and Holding Company

Name	Relationship
Mr.Sanjiv Goenka	Chairman and Non-Executive Director
Mr.Vikram Mehra	Managing Director
Mr.G.B.Aayeer	Whole-time Director and CFO upto 28 May 2018
Mrs.Preeti Goenka	Non-Executive Director
Mrs.Sushila Goenka	Non-Executive Director, deceased on 15 July 2018
Mrs.Avarna Jain	Non-Executive Director w.e.f. 29 May 2018
Mr.Umang Kanoria	Non-Executive Independent Director
Mr.Bhaskar Raychaudhuri	Non-Executive Independent Director, deceased on 20 November 2018
Mr.Santanu Bhattacharya	Non-Executive Independent Director
Mr.Arindam Sarkar	Non-Executive Independent Director
Mr.Noshir Naval Framjee	Non-Executive Independent Director
Mr.Vineet Garg	Chief Financial Officer w.e.f. 29 May 2018
Mrs.Kamana Khetan	Company Secretary w.e.f. 4 August 2017
Mr.Rajendra Dey	Director of Holding Company
Mr.Akhilanand Joshi	Director of Holding Company

e) Other Related Parties with whom the Company had transactions

Name	Relationship
Saregama India Limited Employees Group Gratuity Fund (Gratuity Fund)	Post Employment Benefit Plan of the Company
Saregama India Limited Superannuation Fund (Superannuation Fund)	Post Employment Benefit Plan of the Company

Transactions with related parties

Sl. No.	Particulars	Year ended 31 March 2019	Year ended 31 March 2018
A	**Holding company- (CSPL)**		
	Dividend paid	**308.75**	154.37
B	**Subsidiary company**		
	SPLC		
	Sale of goods	**-**	1.34
	Licence fees - income	**922.01**	669.35
	Provision for doubtful debts and advances written back	**9.12**	10.84
	OMNPL		
	Sale of goods	**1.31**	0.67
	Interest income	**508.68**	417.38
	Loans and advances given	**1,720.45**	1,538.99
	Provision for doubtful debts and advances made	**1,720.45**	1,540.53
	Provision for doubtful debts written back	**1.54**	-
	KMNL		
	Interest income	**3.89**	7.15
	Reimbursement of expenses	**121.09**	68.11
	Loans and advances given	**4.23**	9.48
	Receipt towards loans and advances	**46.80**	34.33
	Provision for doubtful advances written back	**-**	51.76

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

Sl. No.	Particulars	Year ended 31 March 2019	Year ended 31 March 2018
	Saregama Inc		
	Sale of goods	-	51.33
	Licence fees-income	144.67	69.33
	Saregama FZE		
	Investement in equity shares	20.19	-
	Loans and advances given	121.78	-
	Licence fees - income	7.84	-
	Interest income	4.28	-
C	**Remuneration to Key management personnel**		
	Mr.Vikram Mehra	539.19	1,353.96
	Mr.G.B.Aayeer	23.91	199.26
	Mr.Vineet Garg	122.10	-
	Mrs.Kamana Khetan	9.98	4.99
D	**Sitting fees**		
	Mr.Sanjiv Goenka	1.15	1.10
	Mrs.Preeti Goenka	0.80	0.60
	Mrs.Sushila Goenka	0.40	0.60
	Mrs.Avarna Jain	0.60	-
	Mr.Umang Kanoria	1.30	1.30
	Mr.Bhaskar Raychaudhuri	1.30	1.15
	Mr.Santanu Bhattacharya	1.30	1.20
	Mr.Arindam Sarkar	0.85	0.85
	Mr.Noshir Naval Framjee	1.25	0.25
E	**Payment to Director**		
	Rent paid to Mrs.Preeti Goenka	0.45	5.40
F	**Post employment benefit plan of the Company**		
	Contribution towards Saregama India Limited Employees Group Gratuity Fund	30.00	118.00
	Contribution towards Saregama India Limited Superannuation Fund	13.22	12.03

Key management personnel compensation	Year ended 31 March 2019	Year ended 31 March 2018
Short-term employee benefits	649.58	728.43
Post employment benefits	21.33	34.77
Other long-term benefits	7.96	9.38
Share-based payment	16.31	780.64

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

	Balances outstanding at the year end	**As at 31 March 2019**	As at 31 March 2018
A	**Subsidiary company**		
1)	Non-current investments @		
	SPLC	**8.82**	8.82
	RPGG	**-**	-
	KMNL	**1,554.10**	1,554.10
	OMNPL	**-**	-
	SFZE	**20.19**	-
2)	Loans @		
	KMNL	**-**	42.57
	OMNPL	**6,669.15**	4,948.71
	SFZE	**112.44**	-
3)	Trade receivables @		
	SPLC	**947.09**	797.92
	OMNPL	**-**	1.76
	Saregama Inc	**144.67**	69.33
	SFZE	**7.84**	-
4)	Provision for doubtful loans and advances		
	OMNPL	**6,669.15**	4,948.71
5)	Provision for diminution in the value of investments		
	SPLC	**8.82**	8.82
6)	Provision for doubtful debts		
	SPLC	**87.77**	96.89
	OMNPL	**-**	1.54
B	**Joint venture company**		
1)	Non-current investments @		
	SROPL	**145.97**	145.97
2)	Provision for diminution in the value of investments		
	SROPL	**145.97**	145.97
C	**Key management personnel**		
	Remuneration payable		
	- Mr.Vikram Mehra	**1,147.67**	1,124.41
	- Mr.G.B.Aayeer	**21.56**	36.18
	- Mr.Vineet Garg	**17.66**	-
	- Mrs.Kamana Khetan	**1.21**	2.04

@ Gross of provisions

Terms and conditions of transactions with related parties :

- Sales to related parties are made in the ordinary course of business and on terms equivalent to those that prevail in arm's length transactions with other customers. Outstanding balances at the year-end are unsecured and will be settled in cash and cash equivalents.
- The loan given to related parties is made in the ordinary course of business and on terms at arm's length price. Outstanding balances at the year-end is unsecured and will be settled in cash and cash equivalents.

36 COMMITMENTS

Estimated amount of contract remaining to be executed on Capital account and not provided for [net of advances of ₹**70.00 Lakhs (**31 March 2018 - ₹958.50 Lakhs)] as at 31 March 2019 are estimated at ₹ **94.00 Lakhs** (31 March 2018- ₹1,271.00 Lakhs).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

37 CONTINGENT LIABILITIES IN RESPECT OF -

(i) Income Tax Matter

The Company has ongoing disputes with income tax authorities in India. The disputes relate to tax treatment of certain expenses claimed as deductions, computation or eligibility of allowances. The Company has contingent liability of **₹1,986.02 Lakhs** as at 31 March 2019 (31 March 2018 - ₹1,461.19 Lakhs) in respect of tax demands which are being contested by the Company based on the management evaluation and advice of tax consultants.

(ii) Indirect Tax Matter

The Company has ongoing disputes with Indian tax authorities mainly relating to treatment of characterisation and classification of certain items. The Company have demands amounting to **₹889.99 Lakhs** as at 31 March 2019 (31 March 2018 - ₹1,065.07 Lakhs) relating to Excise duty, Custom duty, Service tax, Sales tax/VAT and Other indirect taxes from respective indirect tax authorities which are being contested by the Company based on the management evaluation and advice of tax consultants.

(iii) Copyright Matter

The Company has received legal notices of claims / lawsuits filed against it relating to infringement of copyrights in relation to the music used / other matters. Based on management evaluation and advice from legal solicitors, **₹39.03 Lakhs** (31 March 2018 - ₹138.78 Lakhs) is considered as contingent on account of such claims / law suits.

(iv) There has been a Supreme Court Judgement dated 28 Feb 2019, relating to components of salary structure that need to be taken into account while computing the contribution to provident fund under the EPF act. There are interpretative aspects related to the judgement including the effective date of application. The Company will continue to assess any further developments in this matter for the implications on financial statements, if any.

(v) Other matters including claims related to property related demands **₹3,017.79 Lakhs** (31 March 2018 - ₹1,847.16 Lakhs).

In respect of above, it is not practicable for the Company to estimate the timings of cash outflows, if any, pending resolution of the respective proceedings. The Company does not expect any reimbursements in respect of the above.

38 AMOUNT PAID / PAYABLE TO AUDITORS :

	Year ended 31 March 2019	Year ended 31 March 2018
As Auditors -		
- Audit fees for Standalone Financial Statements	**25.00**	25.00
- Audit fees for Consolidated Financial Statements	**6.25**	6.25
- Tax audit	**6.00**	6.00
- Limited reviews	**11.25**	11.25
- Others [certificates, etc.]	**8.17**	1.84
Reimbursement of expenses	**2.94**	2.09

39 Basic and diluted earnings per share :

	Year ended 31 March 2019	Year ended 31 March 2018
Number of equity shares at the beginning of the year	**17,410,492**	17,402,938
Number of equity shares at the end of the year	**17,410,492**	17,410,492
Weighted average number of equity shares outstanding during the year (A)	**17,410,492**	17,407,056
Weighted average number of potential equity shares on account of employee stock options (B)	**14,121**	15,808
Weighted average number of equity shares for computing diluted earnings per share [C=(A+B)]	**17,424,613**	17,422,864
Nominal value of each equity share (₹)	**10**	10
Profit after tax available for equity shareholders (₹in Lakhs) [D]	**5,193.02**	3,050.73
Basic earnings per share (₹) [D/A]	**29.83**	17.53
Diluted earnings per share (₹) [D/C]	**29.80**	17.51

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

40.1 The Company has cancellable operating lease arrangements for certain accommodation. Terms of such lease include option for renewal on mutually agreed terms. There are no restrictions imposed by lease arrangements and there are no purchase options or sub leases or contingent rents. Operating lease rentals for the year recognised in Statement of Profit and Loss amounts to ₹**334.44 Lakhs** (previous year - ₹315.54 Lakhs).

40.2 Rent income includes payments of ₹**22.79 Lakhs** (previous year - ₹21.75 Lakhs) for the year relating to agreements entered into by the Company. There are no restrictions imposed by lease arrangements and there are no contingent rents recognised as income for the period. These lease arrangements inter alia include escalation clause/option for renewal.

41 Saregama Regency Optimedia Private Limited (SROPL), a joint venture of the Company had been directed to be wound up vide Order dated 19 September 2016 by the Hon'ble High Court at Calcutta and the Official Liquidator attached to this Court has forthwith taken into his custody all the property, effects, books of accounts, other documents and actionable claims. Accordingly, the financial statements of SROPL has been prepared up to the date preceding the date of Court Order. In view of the above, information relating to the Company's interest in the Joint Venture has also been disclosed till the above period.

42 The Company has following un-hedged exposures in foreign currencies

	As at 31 March 2019		As at 31 March 2018	
	Foreign currency in Lakhs	**Amount in ₹ Lakhs**	Foreign currency in Lakhs	Amount in ₹ Lakhs
Trade Receivables	**GBP 10.47**	**947.09**	GBP 9.40	867.25
Trade Receivables	**USD 7.73**	**534.48**	USD 21.52	1,399.89
Trade Receivables	**SAR 0.04**	**0.75**	SAR 0.06	0.69
Trade Receivables	**LKR 246.28**	**97.23**	LKR 58.93	25.09
Trade Receivables	**MYR 0.06**	**0.93**	MYR 0.09	1.52
Trade Receivables	**QAR 0.21**	**3.99**	QAR 0.05	0.87
Trade Receivables	**AED 0.17**	**3.16**	AED 0.81	13.99
Trade Receivables	**SGD 0.01**	**0.59**	SGD 0.01	0.45
Trade Receivables	**OMR 0.01**	**2.53**	OMR 0.01	1.18
Trade Payables	**USD 1.65**	**114.65**	USD 0.01	0.36
Loan & Advances	**AED 6.16**	**112.44**	-	-

43 In terms of Indian Accounting Standard (Ind AS) 108 on ‘Operating Segment’ notified in the Act, segment information has been presented in the Consolidated Financial Statements, prepared pursuant to Indian Accounting Standard (Ind AS) 110 on ‘Consolidated Financial Statements’ and Indian Accounting Standard (Ind AS) 28 on ‘Investments in Associates and Joint Ventures’ notified in the Act, included in the Annual Report for the year.

44 Details of loans and investments covered under Section 186(4) of the Companies Act, 2013 :

44 (a) The Company has provided loans and advances [repayable on demand at the interest rate of **9.25% p.a.** (2017-18 - 10.70% p.a)] of ₹**4.23 Lakhs** (2017-18 - ₹9.48 Lakhs) during the year to its subsidiary, Kolkata Metro Networks Limited for financial assistance and its principal business activities.

44 (b) The Company has provided loans and advances [repayable on demand at the interest rate of **9.25% p.a.** (2017-18 - 10.70% p.a.)] of ₹**1,720.45 Lakhs** (2017-18 ₹ 1,538.99 Lakhs) during the year to its subsidiary Open Media Network Private Limited for financial assistance and its principal business activities. However, the same has been provided fuly in the books of account for the current year.

44 **(c)** The Company has invested in equity of ₹ **20.19 Lakhs** (2017-18 ₹Nil) and provided loans and advances [repayable on demand at the interest rate of **9.25% p.a.** of ₹ **121.78 Lakhs** (2017-18 ₹Nil) during the year to its subsidiary Saregama FZE for financial assistance and its principal business activities.

45 On 2 April 2018, there was a fire in the godown (of third party service provider) damaging stocks of the Company. As per the best estimate of the management, the Company had recognised insurance claim receivable as "Other Income" and the corresponding loss of such stocks was charged off. The Company has subsequently realised ₹ 3,218.72 Lakhs from the insurance company on 12 April 2019 against the said claim.

46 Tax expenses is net of Minimum Alternate Tax (MAT) credit of ₹ **Nil** (2017-18 ₹728.20 Lakhs) based on income tax computation set out in accounting policy [Note 1(t)] and Company's return of income.

47 The disclosures regarding details of specified bank notes held and transacted during 8th November 2016 to 30th December 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended 31 March 2019.

48 Previous years figures have been regrouped/reclassified to conform to current year's presentation.

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Jayanta Mukhopadhyay
Partner
Membership No.: 055757

Place : Kolkata
Date : 08 May 2019

For and on behalf of the Board of Directors of
Saregama India Limited
CIN : L22213WB1946PLC014346

Sanjiv Goenka
Chairman
DIN: 00074796

Vikram Mehra
Managing Director
DIN-03556680

Vineet Garg
Chief Financial Officer

Kamana Khetan
Company Secretary
ACS: 35161

Place : Kolkata
Date : 08 May 2019

Place : Kolkata
Date : 08 May 2019

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2019

(Amount in Rupees lakhs, except otherwise stated)

		Year ended 31 March 2019		Year ended 31 March 2018	
A.	**Cash Flow from Operating Activities**				
	Profit Before Tax		**8,226.52**		4,111.64
	Adjustments for:				
	Depreciation and amortisation expense	**301.31**		379.06	
	Allowance for expected credit loss	**1,294.56**		2,132.56	
	Finance costs	**655.16**		336.69	
	Liabilities/Provisions no longer required written back	**(999.80)**		(353.00)	
	Provision for doubtful debts/ advances no longer required written back	**(7.38)**		(82.58)	
	Interest income	**(1,391.17)**		(772.91)	
	Share based payment expense	**3.05**		8.44	
	Bad debts/advances written off	**22.39**		52.66	
	Loss on disposal of Property, plant and equipment	**0.21**		-	
	Profit on sale of Property, plant and equipment	**(0.88)**		(0.14)	
	Profit on sale of Investment in Mutual Fund	**(0.43)**		-	
	Dividend income from equity investments designated at FVOCI	**(220.52)**		(151.20)	
			(343.50)		1,549.58
	Operating profit before Working Capital Changes		**7,883.02**		5,661.22
	Changes in working capital				
	(Increase) in Other financial assets, Other current assets, Loans, Other non-current assets	**(5,212.74)**		(2,826.09)	
	Increase in Other financial liabilities, Provisions, Other current liabilities	**2,352.14**		3,907.08	
	Increase in Trade payables	**1,391.15**		405.07	
	Increase/(Decrease) in Employee benefit obligations	**79.88**		(47.09)	
	(Increase) in Trade receivables	**(3,042.05)**		(2,899.31)	
	(Increase) in Inventories	**(4,519.52)**		(3,735.69)	
	(Increase) in Other bank balances	**(16.79)**		(154.52)	
			(8,967.93)		(5,350.55)
	Cash used in operations		**(1,084.91)**		310.67
	Income taxes paid (net of refund)		**(1,219.35)**		(999.23)
	Net cash used in Operating Activities		**(2,304.26)**		(688.56)
B.	**Cash Flow from Investing Activities**				
	Purchase of Property, plant and equipment	**(1,200.80)**		(261.20)	
	Sale of Property, plant and equipment	**0.80**		0.14	
	Interest received	**816.13**		479.69	
	Investment in Equity shares of subsidiary	**(20.19)**		-	
	Loan to Subsidiary Companies	**(1,790.32)**		(1,514.13)	
	Investment in Mutual funds	**(200.00)**		-	
	Proceeds from sale of Investment in Mutual funds	**200.43**		-	
	Dividend income from equity investments	**220.52**		151.20	
	Net cash generated from / (used in) Investing Activities		**(1,973.43)**		(1,144.30)

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

	Year ended 31 March 2019		Year ended 31 March 2018	
C. Cash Flow from Financing Activities				
Proceeds from Short term borrowings	**4,789.24**		1,291.74	
Proceeds form issue of Share capital	**-**		0.76	
Share premium received on issue of shares	**-**		3.32	
Dividend paid	**(515.30)**		(259.10)	
Dividend distribution tax paid	**(107.36)**		(53.14)	
Interest paid	**(379.94)**		(72.81)	
Net cash generated from Financing Activities		**3,786.64**		910.77
Net decrease in cash and cash equivalents (A+B+C)		**(491.05)**		(922.09)
Cash and Cash Equivalents at the beginning of the year (refer note 10.2)		**635.79**		1,557.88
Cash and Cash Equivalents at the end of the year (refer note 10.2)		**144.74**		635.79

Notes:

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

2 Previous years figures have been regrouped/reclassified to conform to current year's presentation.

3 Reconciliation of liabilities from financing activities

	Balance as at 1 April 2018	**Cash flows**	**Non-cash changes**	**Balance as at 31 March 2019**
Borrowings	1,291.74	4,789.24	-	**6,080.98**
Total liabilities from financing activities	1,291.74	4,789.24	-	**6,080.98**

	Balance as at 1 April 2017	Cash flows	Non-cash changes	Balance as at 31 March 2018
Borrowings	-	1,291.74	-	1,291.74
Total liabilities from financing activities	-	1,291.74	-	1,291.74

The accompanying notes 1 to 48 are an integral part of these standalone financial statements

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

For and on behalf of the Board of Directors of
Saregama India Limited
CIN : L22213WB1946PLC014346

Sanjiv Goenka
Chairman
DIN: 00074796

Vikram Mehra
Managing Director
DIN-03556680

Jayanta Mukhopadhyay
Partner
Membership No.: 055757

Place : Kolkata
Date : 08 May 2019

Vineet Garg
Chief Financial Officer

Place : Kolkata
Date : 08 May 2019

Kamana Khetan
Company Secretary
ACS: 35161

Place : Kolkata
Date : 08 May 2019

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To the Members of Saregama India Limited

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Saregama India Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2019, the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (" the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2019, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matter

1. **Revenue Recognition**

See note 19 to the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
The Group derives its revenues from the sale of contractually manufactured products; licensing of music rights; Income from films and television serials including free commercial time. The recognition of revenue from license fees has been considered to be critical since the Group has entered into complex multiple contracts with the customers and the revenue gets recognised based on the logs/ information received from such customers. The complexity of these contractual terms also requires the Group to make judgments in assessing whether it has fulfilled all its obligations under the contracts before recognizing the revenue.	Our audit procedures involved the following: • reviewed the terms of significant contracts to identify and understand the performance obligations under these contracts; • considered the appropriateness of the revenue recognition policies of the Group in respect of those contracts in light of the requirements of Ind AS 115; • assessed the reasonableness of the timing and amount of revenue recognised for the year ended 31 March 2019 in light of these policies and requirements of Ind AS 115; • tested the design and implementation of controls over the various revenue streams; and • performed detailed substantive procedures with regard to the significant revenue streams by agreeing to third party information, logs received from the customers and other supporting information. For transactions close to the yearend, we tested to ensure that cut-off procedures were appropriately applied. Based on the above procedures performed, we concluded that the recognition of revenue was appropriate.

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS *(contd.)*

2. Dealer's incentive

See note 19 to the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
Revenue of the Group is measured taking into account, among other things, the incentives paid/payable to the dealers on the Group's products sold to them as per contractual terms. Due to the multitude and variety of such contractual terms, the estimation of incentives recognised based on sales made during the year needs judgment on the management's part and is considered to be complex. We determined this matter to be a key audit issue due to the variety of incentives offered, the absolute amount of such incentives, as well as the complexity associated with the estimates that management has to make, to record this.	Our audit procedures included considering the appropriateness of the revenue recognition policies of the Group, including those relating to incentives and assessing compliance with such policies in terms of applicable accounting standards. We tested the effectiveness of the Group's controls over calculation of incentives and the corresponding payment/accrual. Based on historical data used by the Group to estimate accruals for dealers' incentive, we assessed the permanence of such methods used, the relevance and reliability of data used for estimation and the calculations applied. We also compared amounts paid with previously recognized corresponding provisions to assess the quality of the management estimates. Based on evidence obtained, we concluded that management's process for identifying and quantifying incentive provisions and recognition of revenue was appropriate.

Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the financial statements and our auditors' report thereon

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS *(contd.)*

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group (company and subsidiaries) to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements/financial information of five subsidiaries, whose financial statements/financial information reflect total assets of ₹4,820.88 Lakhs as at 31 March 2019, total revenues of ₹3,435.77 Lakhs and net cash inflows amounting to ₹69.55 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements/financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the audit reports of the other auditors.

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

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS *(contd.)*

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

A. As required by section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.

   e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2019 from being appointed as a director in terms of section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, as noted in the 'Other Matters' paragraph:

   i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2019 on the consolidated financial position of the Group. Refer Note 37 to the consolidated financial statements;

   ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2019;

   iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2019; and

   iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31 March 2019.

C. With respect to the matter to be included in the Auditor's report under section 197(16):

   In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies to its directors is in accordance with the provisions of Section 197 of the Act read with Schedule V to the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies is not in excess of the limit laid down under Section 197 of the Act read with Schedule V to the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

Jayanta Mukhopadhyay
Partner
Membership No. 055757

Place: Kolkata
Date: 08 May 2019

ANNEXURE TO INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Annexure A to the Independent Auditors' report on the consolidated financial statements of Saregama India Limited for the year ended 31 March 2019

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph (A(f)) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2019, we have audited the internal financial controls with reference to consolidated financial statements of Saregama India Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

ANNEXURE TO INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS *(contd.)*

Inherent Limitations of Internal Financial controls with Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to two subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

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

Jayanta Mukhopadhyay
Partner
Membership No. 055757

Place: Kolkata
Date: 08 May 2019

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2019

(Amount in Rupees lakhs, except otherwise stated)

Particulars	Notes	As at 31 March 2019	As at 31 March 2018
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	3	**20,570.52**	18,838.51
(b) Investment properties	4	**236.12**	241.65
(c) Intangible assets	5	**712.85**	653.14
(d) Investment accounted for using equity method	35(b)	**-**	-
(e) Financial assets			
(i) Investments	6.1	**14,834.05**	15,093.50
(ii) Loans	6.2	**492.22**	399.90
(iii) Other financial assets	6.3	**0.25**	0.25
(f) Other non-current assets	7	**160.98**	1,122.86
Total non-current assets		**37,006.99**	36,349.81
(2) Current assets			
(a) Inventories	8	**9,629.57**	4,931.20
(b) Financial assets			
(i) Trade receivables	9.1	**10,974.55**	7,303.02
(ii) Cash and cash equivalents	9.2	**500.21**	921.71
(iii) Bank balances other than (ii) above	9.3	**178.58**	161.79
(iv) Loans	9.4	**16.34**	14.63
(v) Other financial assets	9.5	**5.17**	4.91
(c) Current tax assets (net)	10	**3,490.55**	4,233.95
(d) Other current assets	11	**9,078.22**	3,918.21
Total current assets		**33,873.19**	21,489.42
TOTAL ASSETS		**70,880.18**	57,839.23
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	12.1	**1,741.05**	1,741.05
(b) Other equity	12.2	**41,067.25**	36,430.35
Equity Attributable to Owners of the Company		**42,808.30**	38,171.40
Non-controlling Interest		**261.83**	226.54
Total equity		**43,070.13**	38,397.94
Liabilities			
(1) Non-current liabilities			
(a) Employee benefit obligations	13	**283.55**	242.00
(b) Deferred tax liabilities (net)	14	**5,804.81**	4,793.22
Total non-current liabilities		**6,088.36**	5,035.22
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	15.1	**6,376.53**	1,587.29
(ii) Trade payables			
a) Total outstanding dues of micro enterprises and small enterprises	15.2	**1.91**	0.94
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	15.2	**5,643.26**	4,039.56
(iii) Other financial liabilities	15.3	**4,212.94**	3,593.91
(b) Other current liabilities	16	**1,831.55**	1,491.48
(c) Provisions	17	**3,567.38**	3,613.56
(d) Employee benefit obligations	18	**88.12**	79.33
Total current liabilities		**21,721.69**	14,406.07
TOTAL LIABILITIES		**27,810.05**	19,441.29
TOTAL EQUITY AND LIABILITIES		**70,880.18**	57,839.23

The accompanying notes 1 to 46 are an integral part of these consolidated financial statements

As per our report of even date attached

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

Jayanta Mukhopadhyay
Partner
Membership No.: 055757

For and on behalf of the Board of Directors of
Saregama India Limited
CIN : L22213WB1946PLC014346

Sanjiv Goenka
Chairman
DIN: 00074796

Vikram Mehra
Managing Director
DIN: 03556680

Vineet Garg
Chief Financial Officer

Kamana Khetan
Company Secretary
ACS: 35161

Place: Kolkata
Date: 08 May 2019

Place: Kolkata
Date: 08 May 2019

Place: Kolkata
Date: 08 May 2019

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

(Amount in Rupees lakhs, except otherwise stated)

	Particulars	Notes	Year ended 31 March 2019	Year ended 31 March 2018
I	Revenue from operations	19	**54,471.98**	35,658.62
II	Other income	20	**5,641.02**	1,019.24
III	**Total income (I+II)**		**60,113.00**	36,677.86
IV	**Expenses**			
	Cost of material consumed/ Contract manufacturing charges	21	**22,160.81**	10,835.66
	Cost of production of films and television serials	22	**4,882.90**	5,222.52
	Changes in inventories of finished goods and work-in-progress [(increase)/ decrease]	23	**(4,703.44)**	(3,911.62)
	Employee benefits expense	24	**5,651.33**	6,006.85
	Finance costs	25	**656.03**	336.69
	Depreciation and amortisation expense	26	**332.51**	415.21
	Other expenses	27	**22,664.89**	13,880.16
	Total expenses (IV)		**51,645.03**	32,785.47
V	**Profit before tax (III-IV)**		**8,467.97**	3,892.39
VI	Tax expense			
	- Current tax	28	**2,130.51**	981.56
	- Deferred tax [charge/(credit)]	14	**904.80**	80.66
	Total tax expense (VI)		**3,035.31**	1,062.22
VII	**Profit for the year (V-VI)**		**5,432.66**	2,830.17
VIII	**Other comprehensive income**			
	Items that will be reclassified to profit or loss:			
	(a) Exchange differences on translation of foreign operations		**65.83**	(35.98)
	Items that will not be reclassified to profit or loss:			
	(a) Remeasurements of post-employment benefit obligations		**34.03**	25.04
	(b) Changes in fair value of equity instruments designated at FVOCI		**(259.45)**	1,932.01
	(c) Income tax relating to items that will not be reclassified subsequently to profit or loss	14	**23.07**	(284.94)
	Other comprehensive income for the year, net of tax (VIII)		**(136.52)**	1,636.13
IX	**Total comprehensive income for the year (VII+VIII)**		**5,296.14**	4,466.30
	Profit for the year attributable to :-			
	(a) Owners of the Company		**5,411.34**	2,851.48
	(b) Non-Controlling Interest		**21.32**	(21.31)
	Other comprehensive income for the year attributable to :-			
	(a) Owners of the Company		**(150.49)**	1,644.62
	(b) Non-Controlling Interest		**13.97**	(8.49)
	Total comprehensive income for the year attributable to :-			
	(a) Owners of the Company		**5,260.85**	4,496.10
	(b) Non-Controlling Interest		**35.29**	(29.80)
X	**Earnings per equity share:**[Nominal value per share ₹**10** (previous year- ₹ 10)]			
	Basic (₹)	39	**31.20**	16.26
	Diluted (₹)	39	**31.18**	16.24

The accompanying notes 1 to 46 are an integral part of these consolidated financial statements

As per our report of even date attached

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

Jayanta Mukhopadhyay
Partner
Membership No.: 055757

Place: Kolkata
Date: 08 May 2019

For and on behalf of the Board of Directors of
Saregama India Limited
CIN : L22213WB1946PLC014346

Sanjiv Goenka
Chairman
DIN: 00074796

Vineet Garg
Chief Financial Officer

Place: Kolkata
Date: 08 May 2019

Vikram Mehra
Managing Director
DIN: 03556680

Kamana Khetan
Company Secretary
ACS: 35161

Place: Kolkata
Date: 08 May 2019

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019

(Amount in Rupees lakhs, except otherwise stated)

A. Equity share capital

Description	**Number of shares**	**Amount**
As at 1 April 2017	1,74,02,938	1,740.29
Changes in equity share capital	7,554	0.76
As at 31 March 2018	**1,74,10,492**	**1,741.05**
Changes in equity share capital	**-**	**-**
As at 31 March 2019	**1,74,10,492**	**1,741.05**

B. Other equity

Particulars	Reserve and surplus					Item of Other Comprehensive Income (OCI)			Non controlling Interest	Total other equity
	Capital reserve	General reserve	Securities premium	Share options outstanding reserve	Retained earnings	Revaluation surplus	Equity instruments through OCI	Other items of other comprehensive income (FCTR)		
Balance at 1 April 2017	55.19	693.95	10,249.40	8.34	2,700.06	10,357.19	8,110.36	60.41	256.34	32,491.24
Profit for the year	-	-	-	-	2,851.48	-	-	-	(21.31)	2,830.17
Other comprehensive income (net of tax)	-	-	-	-	16.38	(40.75)	1,696.49	(27.49)	(8.49)	1,636.13
Total comprehensive income for the year	-	-	-	-	2,867.86	(40.75)	1,696.49	(27.49)	(29.80)	4,466.30
Issue of equity shares under Saregama Employee Stock Option Scheme 2013	-	-	3.32	-	-	-	-	-	-	3.32
Final dividend on equity shares for the financial year 2016-17	-	-	-	-	(261.04)	-	-	-	-	(261.04)
Dividend distribution tax on above	-	-	-	-	(53.14)	-	-	-	-	(53.14)
Recognition of share based payment expense (net)	-	-	-	6.03	-	-	-	-	-	6.03
Deferred Tax on revaluation of property, plant and equipment	-	-	-	-	-	1.76	-	-	-	1.76
Transfer from share option reserve on lapse	-	-	-	-	2.41	-	-	-	-	2.41
Balance at 31 March 2018	55.19	693.95	10,252.72	14.37	5,256.15	10,318.20	9,806.85	32.92	226.54	36,656.89

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

Particulars	Reserve and surplus					Item of Other Comprehensive Income (OCI)			Non controlling Interest	Total other equity
	Capital reserve	General reserve	Securities premium	Share options outstanding reserve	Retained earnings	Revaluation surplus	Equity instruments through OCI	Other items of other comprehensive income (FCTR)		
Balance at 1 April 2018	**55.19**	**693.95**	**10,252.72**	**14.37**	**5,256.15**	**10,318.20**	**9,806.85**	**32.92**	**226.54**	**36,656.89**
Profit for the year	-	-	-	-	**5,411.34**	-	-	-	**21.32**	**5,432.66**
Other comprehensive income (net of tax)	-	-	-	-	**23.97**	-	**(226.32)**	**51.86**	**13.97**	**(136.52)**
Total comprehensive income for the year	-	-	-	-	**5,435.31**	-	**(226.32)**	**51.86**	**35.29**	**5,296.14**
Final dividend on equity shares for the financial year 2017-18	-	-	-	-	**(522.31)**	-	-	-	-	**(522.31)**
Dividend distribution tax on above	-	-	-	-	**(107.36)**	-	-	-	-	**(107.36)**
Recognition of share based payment expense (net)	-	-	-	**(0.05)**	-	-	-	-	-	**(0.05)**
Deferred Tax on revaluation of property, plant and equipment	-	-	-	-	-	**2.67**	-	-	-	**2.67**
Transfer from share option reserve on lapse	-	-	-	-	**3.10**	-	-	-	-	**3.10**
Balance as at 31 March 2019	**55.19**	**693.95**	**10,252.72**	**14.32**	**10,064.89**	**10,320.87**	**9,580.53**	**84.78**	**261.83**	**41,329.08**

The description, nature and purpose of each reserve within other equity are as follows:

(i) **Capital reserve :** The Group recognises profit or loss on purchase, sale, issue or canellation of the Group's own equity instruments to Capital Reserve. The Group also recognises gains or losses on transaction with Non-Controlling Interest which do not result on loss of control over subsidairy in the capital reserve.

(ii) **General reserve :** Under the erstwhile Companies Act 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, 2013 (the "Companies Act"), the requirement to mandatory transfer a specified percentage of net profit to general reserve has been withdrawn. The amount credited to the reserve can be utilised by the Company in accordance with the provisions of the Companies Act. There is no movement in general reserve during the current and previous year.

(iii) **Securities premium :** This reserve represents the premium on issue of shares and can be utilised in accordance with the provisions of the Companies Act.

(iv) **Revaluation surplus :** This reserve represents surplus on revaluation of Property, plant and equipment (land) and will be transferred directly to retained earning when the asset is derecognised.

(v) **Share options outstanding reserve :** This reserve relates to stock options granted by the Parent Company to eligible employees under Saregama Employee Stock Option Scheme 2013. This reserve is transferred to securities premium or retained earnings on exercise or cancellations of vested options.

(vi) **Retained earnings :** This reserve represents the cumulative profits of the Group and effects of remeasurement of defined benefit obligations. This Reserve can be utilised in accordance with the provisions of the Companies Act.

(vii) **Equity instruments through OCI (FVOCI) :** This reserve represents the cumulative gains (net of losses) arising on the revaluation of Equity Instruments at fair value though Other Comprehensive Income (OCI), net of amounts reclassified, if any, to Retained earnings when those instruments are disposed off.

(viii) **Foreign currency translation reserve :** Exchange difference arising from translation of foreign operations are recognised in other comprehensive income as described in accounting policies [Refer note 1(a)(vi)] and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss on disposal of the net investment.

The accompanying notes 1 to 46 are an integral part of these consolidated financial statements

As per our report of even date attached

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

Jayanta Mukhopadhyay
Partner
Membership No.: 055757

Place: Kolkata
Date: 08 May 2019

For and on behalf of the Board of Directors of
Saregama India Limited
CIN : L22213WB1946PLC014346

Sanjiv Goenka
Chairman
DIN: 00074796

Vikram Mehra
Managing Director
DIN: 03556680

Vineet Garg
Chief Financial Officer

Kamana Khetan
Company Secretary
ACS: 35161

Place: Kolkata
Date: 08 May 2019

Place: Kolkata
Date: 08 May 2019

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Background

Saregama India Limited ("the Company") is a Company limited by shares, incorporated and domiciled in India. Saregama India Limited (Parent Company) and its subsidiaries (hereinafter referred as "Group") is primarily engaged in the business of manufacturing and sale of Music storage device viz. Carvaan, Mini Carvaan, Music Card, Audio Compact Discs, Digital Versatile Discs and dealing with related music rights. The Group is also engaged in production and sale/telecast/broadcast of films/Tv Serials, pre-recorded programmes and dealing in film rights, printing of printed materials and marketing support services as detailed under segment information in Note 40. Equity shares of the Parent Company are listed on the Bombay Stock Exchange (BSE), the National Stock Exchange (NSE) and the Calcutta Stock Exchange (CSE). The registered office of the Parent Company is located in Kolkata, West Bengal, India.

The consolidated financials statements were approved and authorised for issue with the resolution of the Board of Directors on 08 May 2019.

1 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied by the Group in the preparation of its consolidated financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements, unless otherwise indicated.

(a) Basis of the Preparation

(i) Compliance with Ind AS

These Consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the 'Act') [Companies (Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

(ii) Basis of measurement

(a) Historical cost convention

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

- Certain financial assets and liabilities (including derivative instruments) that is measured at fair value;
- Net Defined benefit (assets)/liability - Fair value of plan assets less present value of defined benefit obligations; and
- Share based payments.

(b) Functional and presentation currency

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

(iii) Current Versus Non-current Classification

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

Assets

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

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

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

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

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

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

Liabilities

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

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

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

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

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

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(iv) Principles of consolidation and equity accounting

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

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

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

Joint arrangements

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligation of each investors, rather than the legal structure of the joint arrangement. The Group has one joint venture, Saregama Regency Optimedia Private Limited (SROPL), which is under liquidation with effect from 19 September 2016. Accordingly, this entiy has not been consolidated by the Group [Refer note 35(b)].

Joint ventures

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

Equity method

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

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

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

(v) Segment reporting

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

The chief operating decision maker is responsible for allocating resources and assessing performance of the operating segments and has been identified as the Chief Financial Officer of the Group. Refer note 40 for segment information presented.

(vi) Foreign currency translation

<u>Functional and presentation currency</u>

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

<u>Transactions and balances</u>

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

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

<u>Group Companies</u>

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

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

(b) Revenue recognition

Effective 1 April 2018, the Group has applied Ind AS 115, Revenue from Contracts with Customers, which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Group has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. 1 April 2018). The comparative information in the statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18. Refer note 1(b) of the Consolidated Financial Statement – Significant accounting policies – Revenue recognition in the Consolidated Financial Statement of the Group for the year ended 31 March 2018, for the revenue recognition policy as per Ind AS 18. The impact of the adoption of the standard on the consolidated financial statements of the Group is insignificant.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

- Revenue from the sale of products is recognised at the point in time when control is transferred to the customer. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers. For sale of product on a bill-and-hold, Group recognises revenue when it satisfies its performance obligation to transfer the control of a product to the customer. For a customer to have obtained control of a product in a bill-and-hold arrangement, Group has applied the guidance as set out in Ind AS 115.
- Revenue from Music licensing where the customer obtains a "right to use" is recognized at the time the license is made available to the customer. Revenue from licenses where the customer obtains a "right to access" is recognized over the access period.
- Revenue from the sale of television software is recognised upfront at the point in time when the software is delivered to the customer.
- Revenue from sale of free commercial time (net of trade discount, as applicable) are recognised when the related advertisement or commercials appears before the public, i.e. on telecast.
- Revenue from theatrical distribution is recognised on exhibition of films. In case of distribution through theatres, revenue is recognised on the basis of box office reports received from various exhibitors. Contracted minimum guarantees are recognised on theatrical release.
- Revenue from Sale of films rights are recognised on assignment of such rights as per terms of the sale/licencing agreements.
- Revenue from current affairs and features magazine is recognised in the period in which the magazines are published and are accounted for net of commission and discounts. Revenue from subscription to the Company's print publications is recognised as earned, prorata on a per issue basis over the subscription period.

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

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

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

Use of significant judgements in revenue recognition :

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

Interest income

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

Dividend income

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

Rental income

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

(c) Property, Plant and Equipment - (PPE)

All items of property, plant and equipment other than freehold land are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to statement of profit or loss during the reporting period in which they are incurred.

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

<u>Depreciation method, estimated useful lives and residual values</u>

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

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

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

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

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

<u>Transition to Ind AS</u>

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

(d) Investment properties

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

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

Transition to Ind AS

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

(e) Intangible assets

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

(i) Music copyrights

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

(ii) Computer software

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

Amortisation method and year

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

Music Copyrights are amortised on straight line basis over a period of 1-10 years. The Group reviews the expected future revenue potential at the end of each accounting period and recognises impairment loss, where required.

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

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

Transition to Ind AS

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

(f) Impairment of non-financial assets

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

(g) Leases

As a Lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a Lessor

Lease income from operating leases where the Group is a lessor is recognised as income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

(h) Inventories

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

Television serials under production are included under 'Work-in-Progress'. Untelecasted television serials are stated at lower of cost and net expected revenue and included under 'Finished Goods'.

Digital Films under production are included under 'Work-in-Progress'. Expenses of under production films incurred till the films are ready for release are inventorised. Cost comprises acquisition / direct production cost. 10% of Cost of digital films is recognised as expense in Statement of Profit and Loss on the date of theatrical release of the Film, balance is charged of on licencing of digital rights.

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

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

(i) Classification

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

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

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

(ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

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

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

(iii) Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets which are not fair valued through profit or loss. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 32(A) details how the Group determines whether there has been a significant increase in credit risk.

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

(iv) Derecognition of financial assets

A financial asset is derecognised only when

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

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

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

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

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

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

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

(vii) Financial liabilities at amortised cost

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

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

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

(viii) Fair value of financial instruments

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

(j) Offsetting financial instruments

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

(k) Trade receivables

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

(l) Cash and cash equivalents

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

(m) Trade and other payables

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

(n) Borrowings

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

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

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

(o) Borrowing costs

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

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

(p) Foreign currency transactions and translation

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. At the year-end, monetary assets and liabilities denominated in foreign currencies are restated at the year - end exchange rates. The exchange differences arising from settlement of foreign currency transactions and from the year-end restatement are recognised in profit and loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

(q) Employee benefits expense

(i) <u>Short-term employee benefits</u>

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

(ii) <u>Other long-term employee benefits</u>

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

(iii) <u>Post-employment benefits</u>

Defined benefit plans

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

Defined contribution plans

Contributions to Provident Fund and Superannuation Fund are accounted for on accrual basis. Contributions under Defined Contribution Plans payable in keeping with the related schemes are recognised as expenses for the period in which the employee has rendered the service.

(iv) Share-based payments

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

Employee options

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

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

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

Share appreciation rights

Liabilities for the Company’s share appreciation rights are recognised as employee benefit expense over the relevant service period. The liabilities are remeasured to fair value at each reporting date and are presented as employee benefits obligations in the balance sheet.

(r) Royalty

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

(s) Income tax

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

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

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

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

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

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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

(t) Provisions and contingencies

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

A disclosure for contingent liabilities is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of the amount cannot be made.

(u) Earnings per share

(i) Basic Earnings per share

Basic earnings per share is calculated by dividing:

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

(ii) Diluted Earnings per share

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

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

(v) Rounding of amounts

All amounts disclosed in the Consolidated Financial Statements and notes have been rounded off to the nearest lakhs (with two places of decimal) as per the requirement of Schedule III, unless otherwise stated.

(w) Recent accounting pronouncements- Standard issued but not yet effective

I Ind AS 116, Leases

¬The Group is required to adopt Ind AS 116, Leases from 1 April 2019. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. It replaces existing leases guidance, Ind AS 17, Leases.

The Group has completed an initial assessment of the potential impact on its standalone financial statements but has not yet completed its detailed assessment. The quantitative impact of adoption of Ind AS 116 on the consolidated financial statements in the period of initial application is not reasonably estimable as at present.

i. Leases in which the Group is a lessee

The Group will recognise new assets and liabilities for its operating leases of offices, warehouse and factory facilities. The nature of expenses related to those leases will now change because the Group will recognise a depreciation charge for right-of-use assets and interest expense on lease liabilities.

Previously, the Group recognised operating lease expense on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised.

In addition, the Group will no longer recognise provisions for operating leases that it assesses to be onerous. Instead, the Group will include the payments due under the lease in its lease liability and apply Ind AS 36, Impairment of Assets to determine whether the right-of-use asset is impaired and to account for any impairment.

No significant impact is expected for the Group's finance leases.

ii. Leases in which the Group is a lessor

The Group will reassess the classification of sub-leases in which the Group is a lessor. Based on the information currently available, the Group expects that it will reclassify one sub-lease as a finance lease.

No significant impact is expected for other leases in which the Group is a lessor.

iii. Transition

The Group plans to apply Ind AS 116 initially on 1 April 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting Ind AS 116 will be recognised as an adjustment to the opening balance of retained earnings at 1 April 2019, with no restatement of comparative information.

The Group plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply Ind AS 116 to all contracts entered into before 1 April 2019 and identified as leases in accordance with Ind AS 17.

II Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Group does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Group does not expect any significant impact of the amendment on its financial statements.

III Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Group does not expect this amendment to have any significant impact on its financial statements.

IV Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Group does not expect any impact from this amendment.

2 **Critical estimates and judgements**

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

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

The areas involving critical estimates or judgements are:

- **Employee benefits (estimation of defined benefit obligations) - Note 1(q) and Note 29**

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

- **Impairment of trade receivables — Note 1(i)(iii) and Note 32**

  Impairment of trade receivables is primarily estimated based on prior experience with and the past due status of receivables, based on factors that include ability to pay and payment history. The assumptions and estimates applied for determining the provision for impairment are reviewed periodically.

- **Estimation of expected useful lives of property, plant and equipment - Note 1(c) and Note 3**

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

- **Contingencies - Note 1(t) and Note 37**

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

- **Valuation of deferred tax assets - Note 1(s) and Note 14**

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

- **Fair value measurements — Notes 1(i)(viii) and Note 31**

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

3 PROPERTY, PLANT AND EQUIPMENT (PPE)

Description	Gross carrying amount				Accumulated depreciation				Carrying amount (net)	
	Cost as at 1 April 2018	Additions/ adjustments	Deductions/ adjustments	Cost as at 31 March 2019	As at 1 April 2018	Depreciation for the year	Deductions/ adjustments	As at 31 March 2019	As at 31 March 2019	As at 31 March 2018
Land - Freehold	18,207.76	1,800.00	-	20,007.76	-	-	-	-	20,007.76	18,207.76
Buildings - Freehold	70.59	-	-	70.59	19.72	3.97	-	23.69	46.90	50.87
Leasehold buildings	37.71	-	-	37.71	1.60	0.80	-	2.40	35.31	36.11
Plant and equipment	3.14	-	-	3.14	1.28	1.14	-	2.42	0.72	1.86
Furniture and fixtures	427.24	18.17	-	445.41	145.84	58.06	-	203.90	241.51	281.40
Office equipment	555.68	101.67	0.36	656.99	297.32	121.58	0.23	418.67	238.32	258.36
Vehicles	10.05	-	0.49	9.56	7.90	2.15	0.49	9.56	-	2.15
Total	19,312.17	1,919.84	0.85	21,231.16	473.66	187.70	0.72	660.64	20,570.52	18,838.51

Description	Gross carrying amount				Accumulated depreciation				Carrying amount (net)
	Cost as at 1 April 2017	Additions/ adjustments	Deductions/ adjustments	Cost as at 31 March 2018	As at 1 April 2017	Depreciation for the year	Deductions/ adjustments	As at 31 March 2018	As at 31 March 2018
Land - Freehold	18,207.76	-	-	18,207.76	-	-	-	-	18,207.76
Buildings - Freehold	70.59	-	-	70.59	15.75	3.97	-	19.72	50.87
Leasehold buildings	37.71	-	-	37.71	0.80	0.80	-	1.60	36.11
Plant and equipment	5.21	-	2.07	3.14	1.99	1.36	2.07	1.28	1.86
Furniture and fixtures	420.52	6.91	0.19	427.24	74.09	71.94	0.19	145.84	281.40
Office equipment	467.94	92.69	4.95	555.68	150.48	151.79	4.95	297.32	258.36
Vehicles	10.05	-	-	10.05	4.20	3.70	-	7.90	2.15
Total	19,219.78	99.60	7.21	19,312.17	247.31	233.56	7.21	473.66	18,838.51

3.1 The Group has chosen the revaluation model for land and cost model for other items of PPE as its accounting policy [Refer Note 1(c)]. The carrying amount of land that would have been recognised had it been carried under the cost model is ₹6,567.47 Lakhs.

3.2 Title deeds of the immovable properties as set out in the above table are in the name of the Parent Company.

3.3 The Parent Company has borrowed from banks which carry charge over certain of the above PPE (Refer Note 15.1 for details).

3.4 Aggregate amount of depreciation has been included under 'Depreciation and amortisation expense' in the Statement of Profit and Loss (Refer Note 26).

4 INVESTMENT PROPERTIES

	As at 31 March 2019	As at 31 March 2018
Gross carrying amount		
At the beginning of the year	252.71	252.71
Additions during the year	-	-
Deletions during the year	-	-
At the end of the year	252.71	252.71
Accumulated depreciation		
At the beginning of the year	11.06	5.53
Depreciation charge during the year	5.53	5.53
At the end of the year	16.59	11.06
Carrying amount (net)	236.12	241.65

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

(i) Amounts recognised in statement of profit or loss for investment properties

	Year ended 31 March 2019	Year ended 31 March 2018
Rental income (Refer note 20)	22.79	21.75
Profit from investment properties before depreciation	22.79	21.75
Depreciation (Refer note 26)	5.53	5.53
Profit from investment properties	17.26	16.22

(ii) Fair value

	As at 31 March 2019	As at 31 March 2018
Investment properties	1,858.88	1,828.04

Estimation of fair value

The Parent Company obtains independent valuations for its investment properties at least annually. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the Parent Company consider information from a variety of sources including:

- current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences
- discounted cash flow projections based on reliable estimates of future cash flows
- capitalised income projections based upon a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence

The fair values of investment properties have been determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

5 INTANGIBLE ASSETS

Description	Gross carrying amount				Accumulated amortisation and impairment							Carrying amount (net)	
	Cost as at 1 April 2018	Additions/ adjustments	Deductions/ adjustments	Cost as at 31 March 2019	Amortisation as at 1 April 2018	Impairment as at 1 April 2018	Amortisation for the year	Impairment/ (Reversal) for the year	Deductions/ adjustments	Amortisation as at 31 March 2019	Impairment as at 31 March 2019	As at 31 March 2019	As at 31 March 2018
Copyrights-Music	935.23	193.65	-	1,128.88	285.83	45.83	162.16	(45.83)	-	447.99	-	680.89	603.57
Computer Software	129.88	5.34	-	135.22	80.31	-	22.95	-	-	103.26	-	31.96	49.57
Total	1,065.11	198.99	-	1,264.10	366.14	45.83	185.11	(45.83)	-	551.25	-	712.85	653.14

Description	Gross carrying amount				Accumulated amortisation and impairment							Carrying amount (net)
	Cost as at 1 April 2017	Additions/ adjustments	Deductions/ adjustments	Cost as at 31 March 2018	Amortisation as at 1 April 2017	Impairment as at 1 April 2017	Amortisation for the year	Impairment/ (Reversal) for the year	Deductions/ adjustments	Amortisation as at 31 March 2018	Impairment as at 31 March 2018	As at 31 March 2018
Copyrights-Music	778.48	156.75	-	935.23	136.49	45.83	149.34	-	-	285.83	45.83	603.57
Computer Software	129.63	0.25	-	129.88	53.53	-	26.78	-	-	80.31	-	49.57
Total	908.11	157.00	-	1,065.11	190.02	45.83	176.12	-	-	366.14	45.83	653.14

5.1 The amortisation expense of intangible assets have been included under 'Depreciation and amortization expense' in the Statement of Profit and Loss (Refer Note 26).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

6 FINANCIAL ASSETS (NON-CURRENT)

6.1 INVESTMENTS

	Face value of each unit as at 31 March 2019	Face value of each unit as at 31 March 2018	**Number of shares as at 31 March 2019**	Number of shares as at 31 March 2018	**As at 31 March 2019**	As at 31 March 2018
Investments carried at fair value through other comprehensive income						
Quoted - fully paid equity shares in other companies						
CESC Limited	**₹10**	₹10	**15,44,988**	15,44,988	**11,288.45**	14,927.67
Phillips Carbon Black Limited	**₹2**	₹10	**500**	100	**0.88**	1.09
Harrisons Malayalam Limited	**₹10**	₹10	**100**	100	**0.07**	0.07
CFL Capital Financial Services Limited	**₹10**	₹10	**100**	100	**0.02**	0.02
CESC Ventures Limited (formerly RP SG-Business Process Services Limited)	**₹10**	₹10	**3,08,997**	-	**1,921.81**	-
Spencers Retail Limited (formerly RP-SG Retail Limited)	**₹5**	₹5	**9,26,992**	-	**1,483.19**	-
STEL Holdings Limited	**₹10**	₹10	**100**	100	**0.10**	0.10
Unquoted - fully paid equity shares in other companies						
Spencer and Company Limited	**₹9**	₹9	**200**	200	**0.48**	0.39
Woodlands Multispeciality Hospital Limited	**₹10**	₹10	**2,250**	2,250	**5.60**	3.76
Timbre Media Private Limited	**₹10**	₹10	**2,30,000**	2,30,000	**133.45**	160.40
Total investments					**14,834.05**	15,093.50
Aggregate carrying value of quoted investments and market value thereof					**14,694.52**	14,928.95
Aggregate carrying value of unquoted investments					**139.53**	164.55
Aggregate provision for impairment in the value of investments					**-**	-

Equity shares designated at fair value through other comprehensive income (FVOCI)

	Fair value as at 31 March 2019	**Dividend income recognised during 2018-19**	Fair value as at 31 March 2018	Dividend income recognised during 2017-18
Investment in CESC Limited	**11,288.45**	**270.38**	14,927.67	185.39
Investment in Phillips Carbon Black Limited	**0.88**	**0.02**	1.09	0.01
Investment in Harrisons Malayalam Limited	**0.07**	**-**	0.07	-
Investment in CFL Capital Financial Services Limited	**0.02**	**-**	0.02	-
Investment in CESC Ventures Limited	**1,921.81**	**-**	-	-
Investment in Spencers Retail Limited	**1,483.19**	**-**	-	-
Investment in STEL Holdings Limited	**0.10**	**-**	0.10	-
Total	**14,694.52**	**270.40**	14,928.95	185.40

Note: Pursuant to the Composite Scheme of Arrangement involving CESC Limited (CESC) and nine other CESC subsidiaries as approved by the Hon'ble National Company Law Tribunal, Kolkata Bench, the Parent Company and one of its subsidiary is entitled to receive 5 equity shares of ₹10 each of the Haldia Energy Limited for every 10 equity shares held in CESC Limited, allotment of the same is pending as on 31 March 2019. Hence, pending such allotment no adjustment has been made in the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

6.2 LOANS

	As at 31 March 2019	As at 31 March 2018
Security deposits		
Unsecured, considered good	**492.22**	399.90
Total loans	**492.22**	399.90

6.3 OTHER FINANCIAL ASSETS

	As at 31 March 2019	As at 31 March 2018
Bank deposits with original maturity more than 12 months*		
Unsecured, considered good	**0.25**	0.25
Total other financial assets	**0.25**	0.25

* Lodged with Government authority ₹**0.25 Lakh** (31 March 2018 - ₹0.25 Lakhs).

7 OTHER NON-CURRENT ASSETS

	As at 31 March 2019	As at 31 March 2018
Capital advances		
Unsecured, considered good	**76.50**	984.88
Unsecured, considered doubtful	**36.38**	12.75
Less: Provision for doubtful advances	**(36.38)**	(12.75)
	76.50	984.88
Prepaid expenses		
Unsecured, considered good	**84.48**	137.98
Total other non-current assets	**160.98**	1,122.86

8 INVENTORIES [Refer Note:1(h)]

	As at 31 March 2019	As at 31 March 2018
Raw materials	**25.00**	30.07
Finished goods		
Untelecasted television serials/digital films	**479.37**	110.47
Carvaan/music card and others @	**7,514.10**	3,641.24
Work-in-progress		
Digital films under production	**1,611.10**	1,149.42
Total inventories	**9,629.57**	4,931.20

@ Includes good in transit worth ₹**460.89 Lakhs** (31 March 2018 - ₹Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

9 FINANCIAL ASSETS (CURRENT)

9.1 TRADE RECEIVABLES

	As at 31 March 2019	As at 31 March 2018
Trade receivables		
Unsecured, considered good	**11,628.19**	8,414.04
Credit impaired	**353.19**	353.19
Less: Allowance for expected credit loss	**(1,006.83)**	(1,464.21)
Total trade receivables	**10,974.55**	7,303.02

Notes:

(a) No trade or other receivables are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

(b) Information about the Group's exposure to credit and currency risks related to trade receivables are disclosed in Note 32.

9.2 CASH AND CASH EQUIVALENTS

	As at 31 March 2019	As at 31 March 2018
Cash on hand	**3.55**	1.62
Bank balances:		
- Current accounts	**496.66**	920.09
Total cash and cash equivalents	**500.21**	921.71

9.3 OTHER BANK BALANCES

	As at 31 March 2019	As at 31 March 2018
Earmarked balances with bank		
Deposits (with original maturity more than 3 months but less than 12 months) #	**162.36**	152.58
Unpaid dividend accounts @	**16.22**	9.21
Total other bank balances	**178.58**	161.79

Includes ₹**162.36 Lakhs** deposited with Delhi Court (31 March 2018 - ₹152.58 Lakhs).

@ Earmarked for payment of unclaimed dividend.

9.4 LOANS

	As at 31 March 2019	As at 31 March 2018
Loan to employees		
Unsecured, considered good	**16.34**	14.63
Total loans	**16.34**	14.63

9.5 OTHER FINANCIAL ASSETS

	As at 31 March 2019	As at 31 March 2018
Interest accrued on deposits with banks	**5.17**	4.91
Total other financial assets	**5.17**	4.91

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

10 CURRENT TAX ASSETS (NET)

	As at 31 March 2019	As at 31 March 2018
Advance payment of Income Tax and Tax Deducted at Source [net of Provision for Taxation ₹**6,952.88 Lakhs** (31 March 2018 - ₹4,954.91 Lakhs)]	**3,490.55**	4,233.95
Total current tax assets (net)	**3,490.55**	4,233.95

11 OTHER CURRENT ASSETS

(Unsecured,considered good unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018
Minimum guarantee royalty advances	**1,918.67**	622.45
Royalty advances		
Unsecured, considered good	**120.16**	191.01
Unsecured, considered doubtful	**447.66**	432.44
Less: Provision for doubtful advances	**(447.66)**	(432.44)
	120.16	191.01
Advance to artist against TV projects / films and events		
Unsecured, considered good	**915.43**	591.91
Unsecured, considered doubtful	**324.97**	330.98
Less: Provision for doubtful advances	**(324.97)**	(330.98)
	915.43	591.91
Prepaid expenses		
Unsecured, considered good	**389.05**	296.89
Unsecured, considered doubtful	**44.06**	44.06
Less: Provision for doubtful advances	**(44.06)**	(44.06)
	389.05	296.89
Amount recoverable from custom authorities	**-**	17.69
Gratuity (Refer note 29)	**9.70**	1.84
Other receivables (Refer note 44)	**3,218.72**	-
Advance against supply of goods	**535.44**	974.15
Balances with government authorities	**1,950.97**	1,202.19
Advance payment of fringe benefit tax [net of Provision ₹**147.87 Lakhs** (31 March 2018 - ₹147.87 Lakhs)]	**20.08**	20.08
Total other current assets	**9,078.22**	3,918.21

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

12 EQUITY SHARE CAPITAL AND OTHER EQUITY

12.1 EQUITY SHARE CAPITAL

Particulars	As at 31 March 2019		As at 31 March 2018	
	Number of shares	Amount	Number of shares	Amount
Authorised				
Ordinary shares of ₹10 each	**2,50,00,000**	**2,500.00**	2,50,00,000	2,500.00
Issued				
Ordinary shares of ₹10 each	**1,74,10,492**	**1,741.05**	1,74,10,492	1,741.05
Subscribed and fully paid up				
Ordinary shares of ₹10 each	**1,74,10,492**	**1,741.05**	1,74,10,492	1,741.05

Reconciliation of number of ordinary shares outstanding

Particulars	As at 31 March 2019		As at 31 March 2018	
	Number of shares	Amount	Number of shares	Amount
As at the beginning of the year	**1,74,02,938**	**1,741.05**	1,74,02,938	1,740.29
Add: Issue of shares on exercise of Options	-	-	7,554	0.76
As at the end of the year	**1,74,02,938**	**1,741.05**	1,74,10,492	1,741.05

Rights issue

Out of 53,38,628 equity shares issued for cash at a premium of ₹35/- (issue price - ₹45/-) pursuant to the Rights Issue in 2005, allotment of **5,290** (31 March 2018 - 5,290) equity shares (relating to cases under litigation/ pending clearence from the concerned authorities) are kept in abeyance as on 31 March 2019.

Rights, preferences and restrictions attached to shares

The Parent Company has only one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting except in case of interim dividend.

In the event of liquidation of the Company, the holder of equity shares are eligible to receive remaining assets of the Company in proportion to their shareholding.

Shares held by ultimate holding company

Name of the shareholder	As at 31 March 2019		As at 31 March 2018	
	Number of shares held	Amount	Number of shares held	Amount
Composure Services Private Limited	**1,02,91,599**	**1029.16**	1,02,91,599	1029.16

Details of shares held by shareholders holding more than 5 % of the aggregate shares in the Parent Company

Name of the shareholder	As at 31 March 2019		As at 31 March 2018	
	Number of shares held	Holding percentage	Number of shares held	Holding percentage
Composure Services Private Limited	**1,02,91,599**	**59.11%**	1,02,91,599	59.11%

Stock option schemes and stock appreciation rights

Information relating to Employee Option Plan, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in Note 30.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

12.2 OTHER EQUITY

Particulars	As at 31 March 2019	As at 31 March 2018
Capital reserve	**55.19**	55.19
General reserve	**693.95**	693.95
Securities premium	**10,252.72**	10,252.72
Revaluation reserve	**10,320.87**	10,318.20
Share option outstanding reserve	**14.32**	14.37
Retained earnings	**10,064.89**	5,256.15
Equity instrument through OCI	**9,580.53**	9,806.85
Foreign currency translation reserve	**84.78**	32.92
Total other equity	**41,067.25**	36,430.35

(i) **Capital reserve :** The Group recognises profit or loss on purchase, sale, issue or canellation of the Group's own equity instruments to Capital Reserve. The Group also recognises gains or losses on transaction with Non-Controlling Interest which do not result on loss of control over subsidairy in the capital reserve.

Particulars	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year	**55.19**	55.19
Balance at the end of the year	**55.19**	55.19

(ii) **General reserve :** Under the erstwhile Companies Act 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, 2013 (the "Companies Act"), the requirement to mandatory transfer a specified percentage of net profit to general reserve has been withdrawn. The amount credited to the reserve can be utilised by the Company in accordance with the provisions of the Companies Act. There is no movement in general reserve during the current and previous year.

Particulars	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year	**693.95**	693.95
Balance at the end of the year	**693.95**	693.95

(iii) **Securities premium :** This reserve represents the premium on issue of shares and can be utilised in accordance with the provisions of the Companies Act.

Particulars	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year	**10,252.72**	10,249.40
Add: 7754 Shares issue @ ₹ 43.95 per Share on exercise of Options	**-**	3.32
Balance at the end of the year	**10,252.72**	10,252.72

(iv) **Revaluation surplus :** This reserve represents surplus on revaluation of Property, plant and equipment (land) and will be transferred directly to retained earning when the asset is derecognised.

Particulars	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year	**10,318.20**	10,357.19
Deferred tax on revaluation of Land	**-**	(40.75)
Deferred tax on revaluation of PPE	**2.67**	1.76
Balance at the end of the year	**10,320.87**	10,318.20

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

(v) **Share options outstanding reserve :** This reserve relates to stock options granted by the Parent Company to eligible employees under Saregama Employee Stock Option Scheme 2013. This reserve is transferred to securities premium or retained earnings on exercise or cancellations of vested options.

Particulars	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year	**14.37**	8.34
Employee stock option expense	**3.05**	8.44
Reversal on account of forfeiture	**(3.10)**	(2.41)
Balance at the end of the year	**14.32**	14.37

(vi) **Retained earnings :** This reserve represents the cumulative profits of the Group and effects of remeasurement of defined benefit obligations. This reserve can be utilised in accordance with the provisions of the Companies Act.

Particulars	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year	**5,256.15**	2,700.06
Net profit for the period	**5,411.34**	2,851.48
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment benefit obligation, net of tax	**23.97**	16.38
Dividends paid	**(522.31)**	(261.04)
Dividends distribution tax paid	**(107.36)**	(53.14)
Transfer from share options outstanding reserve on lapse	**3.10**	2.41
Balance at the end of the year	**10,064.89**	5,256.15

(vii) **Equity instruments through OCI (FVOCI) :** This reserve represents the cumulative gains (net of losses) arising on the revaluation of Equity Instruments at fair value through Other Comprehensive Income (OCI), net of amounts reclassified, if any, to Retained earnings when those instruments are disposed of.

Particulars	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year	**9,806.85**	8,110.36
Changes in fair value of FVOCI equity instruments during the year	**(259.45)**	1,932.01
Deferred tax on above	**33.13**	(235.52)
Balance at the end of the year	**9,580.53**	9,806.85

(viii) **Foreign currency translation reserve :** Exchange difference arising from translation of foreign operations are recognised in other comprehensive income as described in accounting policies [Refer note 1(a)(vi)] and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss on disposal of the net investment.

Particulars	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year	**32.92**	60.41
Add/(Less): Other comprehensive income for the year	**51.86**	(27.49)
Balance at the end of the year	**84.78**	32.92

13 EMPLOYEE BENEFIT OBLIGATIONS (NON-CURRENT)

	As at 31 March 2019	As at 31 March 2018
Leave encashment obligations	**283.55**	242.00
Total employee benefit obligations (non-current)	**283.55**	242.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

14 DEFERRED TAX LIABILITIES (NET)

The balance comprises temporary differences attributable to:

	Balance as at 1 April 2018	Recognised to profit or loss during the year	Other adjustments	Recognised to/ reclassified from OCI	Recognised directly to other equity	Balance as at 31 March 2019
Deferred tax liability						
Fair value changes on financial assets-equity instruments	**1,314.53**	**-**	**-**	**(33.13)**	**-**	**1,281.40**
Property, plant and equipment, intangible assets and investment property	**4,300.82**	**7.30**	**-**	**-**	**(2.67)**	**4,305.45**
Minimum guarantee royalty advance for films	**-**	**614.67**	**-**	**-**	**-**	**614.67**
Provision for royalty on licence fees	**27.07**	**88.17**	**-**	**-**	**-**	**115.24**
Total deferred tax liability	**5,642.42**	**710.14**	**-**	**(33.13)**	**(2.67)**	**6,316.76**
Deferred tax asset						
Allowance for expected credit loss	**492.78**	**(162.88)**	**-**	**-**	**-**	**329.90**
Expenditure allowable for tax purpose in subsequent years	**168.56**	**(66.77)**	**-**	**-**	**-**	**101.79**
Stock appreciation rights	**45.27**	**-**	**-**	**-**	**-**	**45.27**
Income received in Advance-Digital Film	**-**	**34.99**	**-**	**-**	**-**	**34.99**
Others	**142.60**	**-**	**(132.54)**	**(10.06)**	**-**	**-**
Total deferred tax asset	**849.21**	**(194.66)**	**(132.54)**	**(10.06)**	**-**	**511.95**
Net deferred tax liability	**4,793.21**	**904.80**	**132.54**	**(23.07)**	**(2.67)**	**5,804.81**

	Balance as at 1 April 2017	Recognised to profit or loss during the year	Other adjustments	Recognised to/ reclassified from OCI	Recognised directly to other equity	Balance as at 31 March 2018
Deferred tax liability						
Fair Value changes on financial assets-equity instruments	1,079.01	-	-	235.52	-	1,314.53
Property, plant and equipment, intangible assets and investment property	4,282.85	(21.02)	-	40.75	(1.76)	4,300.82
Provision for royalty on licence fees	29.25	(2.18)	-	-	-	27.07
Total deferred tax liability	5,391.11	(23.20)	-	276.27	(1.76)	5,642.42
Deferred tax asset						
Allowance for expected credit loss	674.74	(181.96)	-	-	-	492.78
Expenditure allowable for tax purpose in subsequent years	233.06	(64.50)	-	-	-	168.56
Stock appreciation rights	45.27	-	-	-	-	45.27
Others	-	142.60	-	(8.67)	8.67	142.60
Total deferred tax asset	953.07	(103.86)	-	(8.67)	8.67	849.21
Net deferred tax liability	4,438.04	80.66	-	284.94	(10.43)	4,793.21

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

15 FINANCIAL LIABILITIES (CURRENT)

15.1 BORROWINGS

	As at 31 March 2019	As at 31 March 2018
Secured		
Loan repayable on demand from banks*	**3,580.98**	1,291.74
Unsecured		
Short-term loan from bank	**2,500.00**	-
Inter-corporate deposits, repayable on demand	**295.55**	295.55
Total borrowings	**6,376.53**	1,587.29

* Cash Credit from Banks bearing interest rate between **9.25% to 10.00% p.a.** (2017-18: 9.25% to 10.70% p.a.) are secured by first pari passu charge (ranking pari passu with all consortium bankers) over the whole of the current assets of the Parent Company including its stocks of finished goods, work in progress, bills receivable and book debts, other financial assets and all other movables, both present and future whether now lying loose or in cases wherever they may be situated and also by the second charge on the Parent Company's movable fixed assets, both present and future ranking pari passu without any preference or priority of one over the others.

Refer Note (3), (8), (9.1), (9.2), (9.4) and (9.5) for details of carrying amount of assets pledged as security for secured borrowings and Note 32 for information about liquidity risk and market risk on borrowings.

15.2 TRADE PAYABLES

	As at 31 March 2019	As at 31 March 2018
Trade payables		
a) Total outstanding dues of micro enterprises and small enterprises	**1.91**	0.94
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	**5,643.26**	4,039.56
Total trade payables	**5,645.17**	4,040.50

15.3 OTHER FINANCIAL LIABILITIES

	As at 31 March 2019	As at 31 March 2018
Security deposit		
Security deposit from dealers and others	**89.07**	85.18
Security deposit from General Insurance Corporation of India on sub lease of property	**18.01**	18.01
Unpaid dividends*	**16.22**	9.21
Others		
Dealer's incentive	**573.74**	617.02
Liabilities for expenses	**1,611.31**	1,069.87
Employee benefits payable	**1,705.02**	1,598.39
Interest accrued and due on deposits from dealers	**46.99**	43.65
Liability towards deposits received under settlement	**152.58**	152.58
Total other financial liabilities	**4,212.94**	3,593.91

* There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the year end.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

16 OTHER CURRENT LIABILITIES

	As at 31 March 2019	As at 31 March 2018
Income received in advance	**1,114.81**	407.51
Advance from customers	**152.68**	728.46
Amount payable to Government authorities	**564.06**	355.51
Total other current liabilities	**1,831.55**	1,491.48

17 PROVISIONS

	As at 31 March 2019	As at 31 March 2018
Other provisions		
Provision for returns of magazines	**12.05**	28.94
Provision for royalty on licence fees (Refer note 17.1)	**3,555.33**	3,584.62
Total provisions	**3,567.38**	3,613.56

17.1 MOVEMENT OF PROVISION FOR ROYALTY ON LICENCE FEES

	As at 31 March 2019	As at 31 March 2018
Carrying amount at the beginning of the year	**3,584.62**	2,616.81
Charged/(credited) to profit or loss		
- created during the year	**2,767.06**	1,937.15
- discounting on provision created	**(524.20)**	(253.44)
- unwinding of discount on provision created	**271.88**	260.50
- unused amounts reversed	**(988.42)**	(93.07)
Amounts utilised during the year	**(1,555.61)**	(883.33)
Carrying amount at the end of the year	**3,555.33**	3,584.62

18 EMPLOYEE BENEFIT OBLIGATIONS (CURRENT)

	As at 31 March 2019	As at 31 March 2018
Leave encashment obligations	**59.67**	52.49
Gratuity (Refer note 29)	**28.45**	26.84
Total employee benefit obligations (current)	**88.12**	79.33

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

19 REVENUE FROM OPERATIONS

	Year ended 31 March 2019	Year ended 31 March 2018
Sale of products	**29,477.77**	14,904.60
Sale of services		
Income from films and television serials	**4,764.59**	5,293.10
Licence fees	**19,475.55**	14,773.87
Publication	**738.84**	682.52
Other operating revenue	**15.23**	4.53
Total revenue from operations	**54,471.98**	35,658.62

Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by primary geography market, major products and service lines and timing of revenue recognition. The Group believes that this disaggregation best depicts how the nature, amount, timing of our revenues and cash flows are affected by geography and other economic factors:

	Sale of products		Licence fees		Films/Television serials		Publication	
	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 31 March 2019	Year ended 31 March 2018
Revenue by geography								
Domestic	**28,271.34**	14,575.26	**12,999.07**	9,013.90	**4,089.34**	4,940.21	**733.17**	675.84
International	**1,206.43**	329.34	**6,476.48**	5,759.97	**675.25**	352.89	**5.67**	6.68
	29,477.77	14,904.60	**19,475.55**	14,773.87	**4,764.59**	5,293.10	**738.84**	682.52
Timing of Revenue Recognition								
Products and services transferred at a point in time	**29,477.77**	14,904.60	**12,219.14**	8,764.94	**4,764.59**	5,293.10	**720.96**	663.95
Products and services transferred over time	**-**	-	**7,256.41**	6,008.93	**-**	-	**17.88**	18.57
Total Revenue from Contracts with customers	**29,477.77**	14,904.60	**19,475.55**	14,773.87	**4,764.59**	5,293.10	**738.84**	682.52

Relationship between disclosure of disaggregated revenue and revenue information for each reportable segment has been disclosed in Note 40 to the financial statement.

Contract Balances

The following table provides information about receivables and contract liabilities from contracts with customers:

	Year ended 31 March 2019	Year ended 31 March 2018
Receivables, which are included in 'trade and other receivables' (Refer note 9.1)	**10,974.55**	7,303.02
Contract liabilities (Refer note 16)	**1,114.81**	407.51

The contract assets primarily relate to the Group's rights to consideration for services rendered but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional.This usually occurs when the Group issues an invoice to the customer.

A receivable is a right to consideration that is unconditional upon passage of time. Revenue from the sale of products is recognised at the point in time when control is transferred to the customer. Revenue for fixed price licence fees contracts is recognized on a straight line basis over the period of the contract. Revenues in excess of billings is recorded as unbilled revenue and is classified as a financial asset for these cases as right to consideration is unconditional upon passage of time.

Invoicing in excess of earnings are classified as unearned revenue.

Unbilled revenues are presented net of impairment in the Consolidated Balance Sheet.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

Changes in contract assets are as follows:

	Year ended 31 March 2019	Year ended 31 March 2018
Balance at the beginning of the year	**407.51**	431.75
Revenue recognised that was included in the contract liabilities at the beginning of the year	**(407.51)**	(431.75)
Increase due to invoicing during the year, excluding amounts recognised as revenue during the year	**1,114.81**	407.51
Balance at the end of the year	**1,114.81**	407.51

The Parent Company has entered into a few contracts where the period between the transfer of the promised goods or services to the customer and payments by the customer exceeds one year and hence, there exists a financing component included in such contracts. On evaluation of the terms of the contracts, the effects of financing have not been found to be significant and the same has been adjusted accordingly.

Reconciliation of revenue recognised with the contracted price from sale of products is as follows:

	Year ended 31 March 2019	Year ended 31 March 2018
Contracted prices	**55,662.92**	36,590.24
Reductions towards variable consideration components	**(1,206.17)**	(936.15)
Revenue recognised	**54,456.75**	35,654.09

The reduction towards variable consideration comprises of volume discounts, incentives, etc.

Performance obligation

The following table provides information about the nature and timing of performance obligation in contracts with customers, including significant payment terms and related revenue recognition policies:

Type of product	**Nature and timing of satisfaction of performance obligation, including significant payment terms**	**Revenue recognition under Ind AS 115 (applicable from 1 April 2018)**
Physical products	In case of sales of products, customer obtain control of the products when the goods are dispatched from the Company's warehouse. Invoices are generated and revenue is recognised at that point in time.	Revenue from the sale of products is recognised at the point in time when control is transferred to the customer. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.
	For sale of product on a bill-and hold basis, for a customer to have obtained control of a product in a bill-and-hold arrangement, Group has applied the guidance as set out in Ind AS 115.	Group recognises revenue when it satisfies its performance obligation to transfer the control of a product to the customer. For a customer to have obtained control of a product in a bill-and-hold arrangement, Group has applied the guidance as set out in Ind AS 115.
Music Licensing	The performance obligation of "right-to-use" of Music Licensing contracts gets satisfied at the time of entering into agreement/ contracts with customers. In case of "right-to-access" of Music Licensing contracts, the Group undertakes activities that significantly affect the Music Licenses to which the customer has rights. In these cases, the performance obligation gets complete when the Customers accesses the music licenses. Payment is made as per the terms of the Contract.	Revenue from Music licensing where the customer obtains a “right to use” is recognized at the time the license is made available to the customer. Revenue from licenses where the customer obtains a “right to access” is recognized over the access period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

Sale of Television Software	In case of sale of TV Software, customer obtain control of the TV Software when the same is delivered to them and revenue is recognised at that point in time.	Revenue from the sale of television software is recognised upfront at the point in time when the software is delivered to the customer.
Sale of Free Commercial Time	The performance obligation gets satisfied at the time when the related advertisement or commercials appears before the public, i.e. on telecast.	Revenue from sale of free commercial time (net of trade discount, as applicable) are recognised when the related advertisement or commercials appears before the public, i.e. on telecast.
Theatrical Distribution of Films	The performance obligation gets satisfied at the time of exhibition of films.	Revenue from theatrical distribution is recognised on exhibition of films. In case of distribution through theatres, revenue is recognised on the basis of box office reports received from various exhibitors.Contracted minimum guarantees are recognised on theatrical release.
Sale of Film Rights	The performance obligation gets satisfied at the time of assignment of such rights as per terms of the sale/licencing agreements. The billing schedules agreed with customers include periodic performance based payments and / or milestone based progress payments. Invoices are payable within contractually agreed credit period.	Revenue from Sale of films rights are recognised on assignment of such rights as per terms of the sale/ licencing agreements.
Publication revenue	The performance obligation gets satisfied when the magazines are published. The performance obligation gets satisfied when the publications are delivered to the subscribers over the subscription period.	Revenue from current affairs and features magazine is recognised in the period in which the magazines are published and are accounted for net of commission and discounts. Revenue from subscription to the Group's print publications is recognised as earned, prorata on a per issue basis over the subscription period.

20 OTHER INCOME

	Year ended 31 March 2019	Year ended 31 March 2018
Liabilities/Provisions no longer required written back	**1,134.80**	359.06
Provision for doubtful debts/ advances no longer required written back	**9.35**	30.82
Interest income under effective interest method (refer note below)	**879.97**	353.87
Dividend income from equity investments designated at FVOCI*	**270.40**	185.40
Profit on sale of property, plant and equipment	**0.88**	0.24
Profit on sale of Investment in Mutual Fund	**0.43**	-
Rent income (Refer note 41.2)	**22.79**	21.75
Net gain on foreign currency transactions/ translation	**96.30**	39.10
Insurance claim against fire (Refer note 44)	**3,218.72**	-
Other non-operating income	**7.38**	29.00
Total other income	**5,641.02**	1,019.24

Note:

	Year ended 31 March 2019	Year ended 31 March 2018
Above Interest income comprises :		
-Interest income on bank balances and bank deposits	**11.15**	22.57
-Interest income on income tax refund	**280.97**	29.31
-Unwinding of discount on financial assets	**51.61**	45.96
-Discounting of financial liabilities/provision	**524.20**	253.44
-Other interest	**12.04**	2.59
Total interest income	**879.97**	353.87

* All dividends from equity investments designated at FVOCI relate to investments held at the end of the reporting year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

21 COST OF MATERIAL CONSUMED/ CONTRACT MANUFACTURING CHARGES

	Year ended 31 March 2019	Year ended 31 March 2018
Cost of materials consumed	**99.85**	92.90
Contract manufacturing charges	**22,060.96**	10,742.76
Total cost of material consumed/ contract manufacturing charges	**22,160.81**	10,835.66

22 COST OF PRODUCTION OF FILMS AND TELEVISION SERIALS

	Year ended 31 March 2019	Year ended 31 March 2018
Cost of production of films and television serials	**4,882.90**	5,222.52
Total cost of production of films and television serials	**4,882.90**	5,222.52

23 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS [(INCREASE)/DECREASE]

	Year ended 31 March 2019		Year ended 31 March 2018	
Opening stock				
- Finished goods- Untelecasted television serials/digital films	**110.47**		124.84	
- Finished goods- Carvaan/music card and others	**3,641.24**		146.74	
- Work-in-progress- Digital films under production	**1,149.42**	**4,901.13**	717.93	989.51
Less: Closing stock				
- Finished goods- Untelecasted television serials/digital films	**479.37**		110.47	
- Finished goods- Carvaan/music card and others	**7,514.10**		3,641.24	
- Work-in-progress- Digital films under production	**1,611.10**	**9,604.57**	1,149.42	4,901.13
Net (increase)		**(4,703.44)**		(3,911.62)

24 EMPLOYEE BENEFITS EXPENSE

	Year ended 31 March 2019		Year ended 31 March 2018	
Salaries and wages		**5,227.89**		5,583.07
Share based payment expense		**3.05**		8.44
Contributions to:				
Provident fund	**174.49**		150.89	
Superannuation fund	**13.22**		12.03	
Gratuity fund (Refer note 29)	**83.89**		76.70	
Employee's State Insurance Scheme	**9.36**	**280.96**	9.32	248.94
Staff welfare expenses		**139.43**		166.40
Total employee benefits expense		**5,651.33**		6,006.85

25 FINANCE COSTS

	Year ended 31 March 2019	Year ended 31 March 2018
Interest expense on financial liabilities measured at amortised cost:		
- on loan and others	**343.11**	52.50
- unwinding of discount on financial liabilities/provision	**271.88**	260.50
Other borrowing costs	**41.04**	23.69
Total finance costs	**656.03**	336.69

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

26 DEPRECIATION AND AMORTISATION EXPENSE

	Year ended 31 March 2019	Year ended 31 March 2018
Depreciation on property, plant and equipment	**187.70**	233.56
Depreciation on investment properties	**5.53**	5.53
Amortisation on intangible assets	**139.28**	176.12
Total depreciation and amortisation expense	**332.51**	415.21

27 OTHER EXPENSES

	Year ended 31 March 2019	Year ended 31 March 2018
Power and fuel	**114.48**	142.05
Rent (Refer note 41.1)	**422.14**	410.32
Repairs - buildings	**18.62**	16.19
- machinery	**1.51**	1.35
- others	**42.91**	54.68
Royalties	**5,591.64**	3,367.59
Recording expenses	**30.87**	126.20
Carriage, freight and forwarding charges	**1,963.71**	1,047.56
Rates and taxes	**686.76**	116.87
Insurance	**82.44**	37.47
Travel and conveyance	**622.53**	518.62
Advertisement and sales promotion	**10,484.89**	4,285.37
Editorial expenses	**100.48**	118.14
Printing and publishing expenses	**63.11**	66.80
Printing and communication expenses	**336.46**	343.48
Bad debts/advances written off (Refer Note 27.1)	**24.81**	54.30
Allowance for expected credit loss / provision for doubtful advances	**(415.67)**	610.61
Provision for magazine returns	**10.73**	26.18
Loss on disposal of property, plant and equipment	**0.21**	-
Legal/consultancy expenses	**1,346.50**	1,506.01
Corporate social responsibility expenses (Refer Note 27.2)	**70.22**	57.00
Payment to auditors	**90.39**	67.62
Miscellaneous expense	**975.15**	905.75
Total other expense	**22,664.89**	13,880.16

27.1 Charge for previous year include bad debts / advances written off by the Parent Company of ₹1,473.65 Lakhs offset with provision for doubtful debts / advances no longer required written back of the equivalent amount.

27.2 Corporate social responsibility expenditure

(a) Gross amount required to be spent by the Group during the year	**70.22**	56.96
(b) Amount paid to RP-Sanjiv Goenka Group CSR Trust towards purposes other than construction/acquisition of assets	**70.22**	57.00

(c) There is no provision outstanding as at 31 March 2019 and 31 March 2018.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

28 TAX EXPENSES (Refer note 43)

	Year ended 31 March 2019	Year ended 31 March 2018
A. Tax expense recognised in the Statement of Profit and Loss		
Current tax		
Current tax on profits for the year	**2,130.51**	981.56
Total current tax	**2,130.51**	981.56
Deferred tax		
Decrease/ (Increase) in deferred tax assets	**194.66**	103.86
(Decrease)/ Increase in deferred tax liabilities	**710.14**	(23.20)
Total deferred tax expense charge/(credit)	**904.80**	80.66
Total tax expense	**3,035.31**	1,062.22
B. Amount recognised in other comprehensive income		
The tax charge arising on income and expenses recognised in Other Comprehensive Income are as follows:		
Deferred tax		
On items that will not be reclassified to profit or loss		
Remeasurements of post-employment benefit obligations	**(10.06)**	(8.67)
Changes in fair value of equity instruments designated at FVOCI	**33.13**	(235.52)
Revaluation gains relating to property, plant and equipment	**-**	(40.75)
Total	**23.07**	(284.94)
C. Reconciliation of tax expense		
Profit before tax	**8,467.97**	3,892.39
Income tax expense calculated @ **29.12%** (31 March 2018 - 34.61%)	**2,465.87**	1,347.08
Adjustments:		
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Items not deductible for tax purposes	**543.04**	556.34
Effect of income not taxable	**(66.86)**	(188.11)
Other items	**2.03**	81.74
Impact of change in statutory tax rate	**91.23**	(6.63)
Adjustment in respect of Minimum Alternate Tax (MAT) credit utilised	**-**	(728.20)
Income tax expense	**3,035.31**	1,062.22

The tax rate used in the above reconciliation for the year 2018-19 is the tax rate of **29.12%** (25% + surcharge @ 12% and education cess @ 4%) as against tax rate of 34.61% (30% + surcharge @ 12% and education cess @ 3%) for the year 2017-18 payable on taxable profits under the Income Tax Act, 1961.

29 ASSETS AND LIABILITIES RELATING TO EMPLOYEE BENEFITS

(I) Post-employment Defined Benefit Plans:

(A) Gratuity (funded)

The Group provides for gratuity, a defined benefit retirement plan covering eligible employees. As per the plan, the Gratuity Fund Trusts, administered and managed by the Trustees and funded primarily with Life Insurance Corporation of India (LICI), ICICI Prudential Life Insurance Company Limited and Aviva Life Insurance Company Limited, make payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Trustees are responsible for the overall governance of the plan and to act in accordance with the provisions of the trust deed and rules in the best interests of the plan participants. Each year an Asset-Liability matching study is performed in which the consequences of the strategic investment policies are analysed in terms of risk and return profiles. Investment and contribution policies are integrated within this study. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation as set out in Note 1(q)(iii) above, based upon which, the Group makes contributions to the Employees' Gratuity Funds.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

The following table sets forth the particulars in respect of the Gratuity Plan (funded) of the Group:

		31 March 2019		31 March 2018	
		Parent	**Subsidiary**	Parent	Subsidiary
(a)	**Reconciliation of opening and closing balances of the present value of the defined benefit obligation:**				
	Present value of obligation at the beginning of the year	**511.91**	**41.56**	474.78	32.88
	Current service cost	**73.70**	**9.86**	64.56	9.28
	Interest cost	**34.59**	**3.16**	31.95	2.40
	<u>Remeasurements (gains) / losses</u>				
	Actuarial (gain)/ loss arising from changes in financial assumptions	**3.83**	**(0.49)**	(15.76)	(1.56)
	Actuarial (gain)/ loss arising from changes in experience adjustments	**1.60**	**(2.63)**	5.92	(1.44)
	Actuarial (gain)/ loss arising from changes in demographic adjustments	**(36.39)**	**-**	-	-
	Benefits paid	**(101.34)**	**(6.18)**	(49.54)	-
	Present value of obligation at the end of the year	**487.90**	**45.28**	511.91	41.56
(b)	**Reconciliation of the opening and closing balances of the fair value of plan assets:**				
	Fair value of plan assets at the beginning of the year	**485.06**	**43.40**	359.10	41.06
	Interest Income	**34.12**	**3.30**	28.50	3.00
	<u>Remeasurements gains / (losses)</u>				
	Return on plan assets (excluding amount included in net interest cost)	**0.49**	**(0.54)**	12.86	(0.66)
	Contributions by employer	**30.00**	**15.00**	118.00	-
	Benefits paid	**(90.22)**	**(6.18)**	(33.40)	-
	Fair value of plan assets at the end of the year	**459.45**	**54.98**	485.06	43.40
(c)	**Reconciliation of the present value of the defined benefit obligation and the fair value of plan assets:**				
	Present value of obligation at the end of the year	**487.90**	**45.28**	511.91	41.56
	Fair value of plan assets at the end of the year	**459.45**	**54.98**	485.06	43.40
	Liabilities recognised in the balance sheet	**28.45**	**(9.70)**	26.85	(1.84)
(d)	**Actual return on plan assets**	**34.61**	**2.76**	41.36	2.34
(e)	**Re-measurements losses/(gains) recognised in the Other Comprehensive Income**				
	Return on plan assets (excluding amount included in net interest cost)	**(0.49)**	**0.54**	(12.86)	0.66
	Effect of changes in financial assumptions	**3.83**	**(0.49)**	(15.76)	(1.56)
	Effect of changes in experience adjustments	**1.60**	**(2.63)**	5.92	(1.44)
	Effect of changes in demographic adjustments	**(36.39)**	**-**	-	-
	Total re-measurement losses/(gains) included in Other Comprehensive Income	**(31.45)**	**(2.58)**	(22.70)	(2.34)
(f)	**Expense recognised in Statement of Profit or Loss:**				
	Current service cost	**73.70**	**9.86**	64.56	9.28
	Net interest cost	**0.47**	**(0.14)**	3.45	(0.60)
	Total expense recognised in Statement of Profit and Loss (Refer note 24)	**74.17**	**9.72**	68.01	8.68

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

	31 March 2019		31 March 2018	
	Parent	**Subsidiary**	Parent	Subsidiary
(g) Category of plan assets:	**In %**	**In %**	In %	In %
(a) Fund with Life Insurance Corporation of India	**61%**	**-**	66%	-
(b) NAV based Group Balanced Fund with ICICI Prudential Life Insurance Company Limited	**20%**	**-**	17%	-
(c) NAV based Group Short Term Debt Fund with ICICI Prudential Life Insurance Company Limited	**9%**	**-**	8%	-
(d) NAV based Group Debt Fund with ICICI Prudential Life Insurance Company Limited	**10%**	**-**	9%	-
(e) Fund with Aviva Life Insurance Company India Ltd.	**-**	**100%**	-	100%
	100%	**100%**	100%	100%

	31 March 2019		31 March 2018	
(h) Maturity profile of defined benefit obligation:	**Parent**	**Subsidiary**	Parent	Subsidiary
Within 1 year	**218.58**	**5.38**	246.07	0.24
1-2 year	**20.34**	**10.32**	1.28	0.34
2-5 years	**75.11**	**16.78**	29.90	63.83
Over 5 years	**314.91**	**92.72**	126.33	466.39

	31 March 2019		31 March 2018	
(i) Principal actuarial assumptions:	**Parent**	**Subsidiary**	Parent	Subsidiary
Discount rate	**7.10%**	**7.70%**	7.50%	7.60%
Salary growth rate	**10.00%**	**7.00%**	10.00%	7.00%

Assumptions regarding future mortality experience are based on mortality tables of 'Indian Assured Lives Mortality (2006-2008)' published by the Institute of Actuaries of India.

The estimate of future salary increases takes into account inflation, seniority, promotion and other relevant factors, such as demand and supply in the employment market.

(j)

Sensitivity analysis	**Change in Assumption**	**Impact on defined benefit obligation (2018-19)**	Impact on defined benefit obligation (2017-18)
Discount Rate	Increase by 1%	**Decrease by ₹30.38 Lakhs**	Decrease by ₹39.06 Lakhs
	Decrease by 1%	**Increase by ₹35.36 Lakhs**	Increase by ₹46.82 Lakhs
Salary Growth Rate	Increase by 1%	**Increase by ₹34.23 Lakhs**	Increase by ₹45.37 Lakhs
	Decrease by 1%	**Decrease by ₹30.04 Lakhs**	Decrease by ₹38.69 Lakhs

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit obligation recognised in the Balance Sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(k) The Group expects to contribute **₹65.81 Lakhs** (previous year - ₹30.00 Lakhs) to the funded gratuity plans during the next financial year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

(I) The weighted average duration of the defined benefit obligation as at 31 March 2019 for Parent Company is **6 years** (31 March 2018 – 11 years) and for subsidiary is **11 Years** (31 March 2018 - 12 Years).

(II) Post-employment defined contribution plans

(A) Superannuation fund

Certain categories of employees of the Parent Company participate in superannuation, a defined contribution plan administered by the Trustees. The Parent Company makes yearly contributions based on a specified percentage of each covered employee's salary. The Parent Company has no further obligations under the plan beyond its annual contributions.

(B) Provident fund

All categories of employees of the Group receive benefits from a provident fund, a defined contribution plan. Both the employee and employer make monthly contributions to a government administered fund at specified percentage of the covered employee's qualifying salary. The Group has no further obligations under the plan beyond its monthly contributions.

During the year, an amount of ₹ **187.71 Lakhs** (previous year - ₹ 162.92 Lakhs) has been recognised as expenditure towards above defined contribution plans of the Group (Refer note 24).

(III) Leave obligations

The Group provides for accumulation of leave by certain categories of its employees. These employees can carry forward a portion of the unutilised leave balances and utilise it in future periods or receive cash (only in case of earned leave) in lieu thereof as per the Group's policy. The Group records a provision for leave obligations in the period in which the employee renders the services that increases this entitlement.

The total provision recorded by the Group towards this obligation was ₹ **343.23 Lakhs** and ₹294.49 Lakhs as at 31 March 2019 and 31 March 2018 respectively. The amount of the provision is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

	31 March 2019	31 March 2018
Leave provision not expected to be settled within the next 12 months (Refer note 13).	**283.55**	242.00

(IV) Risk exposure

Through its defined benefit plans, the Company is exposed to some risks, the most significant of which are detailed below:

<u>Discount rate risk</u>

The Company is exposed to the risk of fall in discount rate. A fall in discount rate will eventually inrease the ultimate cost of providing the above benefit thereby increasing the value of the liability.

<u>Salary growth risks</u>

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

<u>Demographic risk</u>

In the valuation of the liability, certain demographic (mortality and attrition rates) assumptions are made. The Company is exposed to this risk to the extent of actual experience eventually being worse compared to the assumptions thereby causing an increase in the benefit cost.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

30 SHARE BASED PAYMENTS

(a) Employee stock option scheme

The establishment of the Employee Stock Option Scheme 2013 (Scheme) was approved by the shareholders of the parent company at the Annual General Meeting held on 26 July 2013. The Scheme is designed to provide incentives to eligible employees to deliver long term returns. Under the Scheme each Option entitles the holder thereof to apply for and be allotted one equity shares of the Parent Company of ₹10 each upon payment of the exercise price during the exercise period.

The exercise period commences from the date of vesting of the Options and expires at the end of 10 years from the date of vesting. The Options have been granted at the 'market price' as defined under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

Performance linked vesting schedule of the said options is as follows :-

- After 1 year from the date of grant : 20 % of the options granted
- After 2 years from the date of grant : 20 % of the options granted
- After 3 years from the date of grant : 20 % of the options granted
- After 4 years from the date of grant : 20 % of the options granted
- After 5 years from the date of grant : 20 % of the options granted

Information in respect of Options granted under the Scheme :

Pursuant to approved Scheme, the Compensation Committee/Nomination and Remuneration Committee of the Board of Directors of the Parent Company has granted shares / options during 2013-14, 2016-17 and 2017-18 to certain eligible employees and outstanding as on 31 March 2019 at the following exercise price, being prevailing market price as on date of joining / revision of salary of respective employee:

Name of eligible employees	**As at 31 March 2019**		As at 31 March 2018	
	No. of options/ shares	**Exercise price per share (₹)**	No. of options/ shares	Exercise price per share (₹)
Mr. G. B. Aayeer, Chief Financial Officer and Director (upto 28 May 2018)	**9529**	**69.85**	10000	69.85
Mr. Kumar Ajit, Vice President - Sales and marketing	**10000**	**243.70**	10000	243.70
Mr. Rohit Chopra, Senior Vice President - Legal	**-**	**-**	10000	717.00

Exercise of options by the option holders shall entail issuance of equity shares by the Parent Company on compliance / completion of related formalities on the basis of 1:1.

During the year 2018-19, 10000 Options granted in 2017-18 to Mr.Rohit Chopra with exercise price of ₹717.00 per share was lapsed in 2018-19 on his resignation. Further, 471 options out of 10000 options granted to Mr.G.B.Aayeer with exercise price of ₹69.85 per share was lasped on his retirement.

Measurement of fair value

The fair value of Employee Stock Options as on the date of grant was determined using the Black Scholes Model which takes into account the share price at the measurement date, expected price volatility of the underlying share, the expected dividend yield and risk free interest rate and carrying amount of liability included in employee benefit obligations.

The fair value of the options and the inputs used in the measurement of fair value as on the grant date are as follows:

	G.B.Aayeer	**Kumar Ajit**
Fair value at grant date (₹)	49.48	141.90
Share price at grant date (₹)	69.85	243.70
Exercise price (₹)	69.85	243.70
Expected volatilty	57.30%	55.96%
Expected Life (expected weighted average life)	13 Years	8 Years
Expected dividend	0.50%	1.34%
Risk free interest rate (based on Government bonds)	9%	7%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

Expected volatility has been based on the evaluation of the historical volatility of the Parent Company's share price, particularly over the historical period commensurate with the expected term. The Expected term of the instruments has been based on the historical experience and general option holder behaviour.

Reconciliation of outstanding share options	**31 March 2019**	31 March 2018
Number of Options Outstanding at the beginning of the year	**30000**	30000
Number of Options granted during the year	**-**	10000
Number of Options forfeited/lapsed during the year	**10471**	2446
Number of Options Vested during the Year	**5940**	7143
Number of Options Exercised during the year	**-**	7554
Number of Shares Arising as a result of exercise of Options	**-**	7554
Number of Options Outstanding at the end of the year	**19529**	30000
Number of Options Excercisable at the end of the year	**13529**	7589

The Options were exercised during the period permitted under the Scheme, and weighted average share price of shares arising upon exercise of Options, based on the closing market price on NSE on the date of exercise of Options for the year ended 31 March 2018 was ₹ 498.80. No options has been exercised during the year ended 31 March 2019.

(b) Stock Appreciation Rights

The Nomination and Remuneration Committee of the Board of Directors of the Parent Company has granted Stock Appreciation Rights ("SAR") to certain eligible employees pursuant to the Company's Stock Appreciation Rights Scheme 2014 and Stock Appreciation Rights Scheme 2018 (together referred to as "Schemes"). The grant price is determined as defined in the Scheme. The Schemes have different performance linked vesting schedules. Under the Scheme, the specified eligible employees are entitled to receive cash payment, being the difference in the share price between the date of grant and the date of exercise subject to certain conditions. The Schemes are administered by Nomination and Remuneration Committee.

Details of SAR Schemes	**SAR Scheme'2014**	**SAR Scheme'2018**
Grant Date	27 October 2014	31 July 2018
Grant Price (₹)	170.65	416.20
Vesting Schedule	66% after 1 year from grant date 34% after 2 years from grant date	40% after 1 year from grant date 20% after 2 years from grant date 20% after 3 years from grant date 20% after 4 years from grant date

	As at 31 March		**As at 31 March**	
	2019	2018	**2019**	2018
Number of SAR outstanding at the beginning of the year	**200000**	200000	**-**	-
Add : Granted during the year	**-**	-	**100000**	-
Less : Forfeited / lapsed during the year	**-**	-	**-**	-
Less : Exercised during the year	**-**	-	**-**	-
Number of SAR outstanding at the end of the year	**200000**	200000	**100000**	-
Fair value of SAR at the end of the year	**456.10**	518.50	**390.54**	-
Carrying amount of liability - included in employee benefits payable (₹ in Lakhs) (Refer Note 15.3)	**912.20**	1037.00	**156.73**	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

The fair value of SAR was determined using the Black Scholes Model using the following inputs at the grant date and at each reporting dates:	SAR Scheme'2014		SAR Scheme'2018	
	As at 31 March		As at 31 March	
	2019	2018	**2019**	2018
Share price at measurement date (₹ per share)	**589.80**	655.70	**589.80**	-
Exercise price (₹ per share)	**170.65**	170.65	**416.20**	-
Expected time (in years)	**3.80**	4.29	**6.50**	-
Expected volatility (%)	**54.80%**	56.80%	**53.88%**	-
Dividend yield (%)	**0.55%**	0.81%	**0.55%**	-
Risk-free interest rate (%)	**6.85%**	7.00%	**7.24%**	-

(c) Expense arising from share based payment transactions

Total expenses arising from share-based payment transactions recognised in Statement of Profit and Loss as part of employee benefit expense are as follows:

	Year ended 31 March 2019	Year ended 31 March 2018
Employee stock option scheme	**3.05**	8.44
Share appreciation rights	**31.93**	780.20

31 FAIR VALUE MEASUREMENTS

(i) Financial instruments by category

	Notes	**As at 31 March 2019 Carrying Amount / Fair Value**	As at 31 March 2018 Carrying Amount / Fair Value
A. Financial assets			
(a) Measured at fair value through OCI			
Investments			
Equity instruments	6.1	**14,834.05**	15,093.50
Sub total		**14,834.05**	15,093.50
(b) Measured at amortised cost			
Trade receivables	9.1	**10,974.55**	7,303.02
Cash and cash equivalents	9.2	**500.21**	921.71
Other bank balances	9.3	**178.58**	161.79
Loans	6.2,9.4	**508.56**	414.53
Other financial assets	6.3,9.5	**5.42**	5.16
Sub total		**12,167.32**	8,806.21
Total financial assets		**27,001.37**	23,899.71
B. Financial Liabilities			
Measured at amortised cost			
Borrowings	15.1	**6,376.53**	1,587.29
Trade payables	15.2	**5,645.17**	4,040.50
Other financial liabilities	15.3	**4,212.94**	3,593.91
Total financial liabilities		**16,234.64**	9,221.70

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

(ii) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are

(a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows below:

Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: Inputs other than quoted price included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

The fair value of financial instruments that are not traded in an active market is determined using market approach and valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

If one or more of the significant inputs is not based on observable market data, the fair value is determined using generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparty.

The fair value of trade receivables, trade payables, cash and cash equivalents, other bank balances, loans and other financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short-term nature. Similarly, unquoted equity instruments where most recent information to measure fair value is insufficient, or if there is a wide range of possible fair value measurements, cost has been considered as the best estimate of fair value.

There has been no change in the valuation methodology for Level 3 inputs during the year. The Group has classified certain financial instruments under Level 3 of the fair value hierarchy. There were no transfers between Level 1 and Level 2 during the year.

Particulars	**Fair Value Hierarchy Level**	**As at 31 March 2019**	As at 31 March 2018
Financial assets			
Measured at fair value through OCI			
Investments			
Equity instruments (quoted)	1	**14,694.52**	14,928.95
Equity instruments (un-quoted)	3	**139.53**	164.55
		14,834.05	15,093.50

Level 3 fair values - Movement in the values of unqouted equity instruments

The following table shows a reconciliation from the opening balance to the closing balance for Level 3 fair values:

Particulars	**FVOCI Equity Instruments**
Balance at 1 April 2017	164.55
Gain / (loss) included on OCI	
- Net change in fair value (unrealised)	-
Balance at 31 March 2018	164.55
Balance at 1 April 2018	**164.55**
Gain / (loss) included on OCI	
- Net change in fair value (unrealised)	**(25.02)**
Balance at 31 March 2019	**139.53**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

32 FINANCIAL RISK MANAGEMENT

The Group has a system-based approach to risk management, anchored to policies and procedures and internal financial controls aimed at ensuring early identification, evaluation and management of key financial risks (such as market risk, credit risk and liquidity risk) that may arise as a consequence of its business operations as well as its investing and financing activities.

Accordingly, the Group's risk management framework has the objective of ensuring that such risks are managed within acceptable and approved risk parameters in a disciplined and consistent manner and in compliance with applicable regulation. It also seeks to drive accountability in this regard.

This Note explains the sources of risk which the entity is exposed to and how the entity manages the risk. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

(A) Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The Group is exposed to credit risk from its operating activities (primarily Trade Receivables) and from its investing activities (primarily Deposits with Banks).

Trade receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers. Customer credit risk is managed by respective segment subject to the Group's policy and procedures which involve credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Group grants credit terms in the normal course of business. The Group's customer base is large and diverse limiting the risk arising out of credit concentration. Further, credit is extended in business interest in accordance with business-specific credit policies. The Group's exposure to trade receivables on the reporting date, net of expected loss provisions, stood at **₹10,974.55 Lakhs** as on 31 March 2019 (31 March 2018 - ₹7,303.02 Lakhs).

All overdue customer balances are evaluated taking into account the age of the dues, specific credit circumstances, the track record of the counterparty etc. On account of adoption of Ind AS 109, the Group uses expected credit loss model to assess the impairment loss. The Group uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors and the Group's historical experience with customers.

The movement of the expected loss provision (allowance for bad and doubtful loans and receivables etc.) made by the Group are as under:

Particulars	**Expected Loss Provision**	
	As at 31 March 2019	As at 31 March 2018
Opening balance	**1,464.21**	1,986.63
Add: Provision made during the year (net)	**144.59**	610.61
Less: Utilisation for impairment/de-recognition/reversal of provision	**(601.97)**	(1,133.03)
Closing balance	**1,006.83**	1,464.21

Other financial assets

Credit risk from balances with banks, term deposits and investments is managed by Group's finance department. Investments of surplus are made within assigned credit limits with approved counterparties who meet the threshold requirements with respect to ratings, financial strength, credit spreads etc. Counterparty credit limits are set to minimize concentration risk and are reviewed periodically by the Board of Directors.

The Group's maximum exposure to credit risk for the components of the Balance Sheet as of 31 March 2019 and 31 March 2018 is the carrying amounts as disclosed in Note 6.3, 9.3 and 9.5.

(B) Liquidity risk

Liquidity risk refers to the risk that the Group fails to honour its financial obligations in accordance with terms of contract. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions.

Management monitors rolling forecasts of the Group's liquidity position (including the undrawn credit facilities extended by banks and financial institutions) and cash and cash equivalents on the basis of expected cash flows. In addition, the Group's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

The following table shows a maturity analysis of the anticipated cash flows including interest obligations for the Group's non-derivative financial liabilities on an undiscounted basis (all payable within 12 months), which therefore does not differ from their carrying value as the impact of discounting is not significant.

Non-derivative financial liabilities	**As at 31 March 2019**	As at 31 March 2018
(i) Borrowings including interest obligation (Refer note 15.1)	**6,376.53**	1,587.29
(ii) Trade payables (Refer note 15.2)	**5,645.17**	4,040.50
(iii) Other financial liabilities (Refer note 15.3)	**4,212.94**	3,593.91
	16,234.64	9,221.70

The Group does not have derivative financial liabilities as at the end of above mentioned reporting periods.

(C) Market risk

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group transacts business in local currency and in foreign currencies (primarily US Dollars). The Group has foreign currency trade receivables and trade payables and is therefore exposed to foreign currency risk. The risk is measured through a forecast of highly probable foreign currency cash flows.

The Group's risk management policy is hedging of net foreign currency exposure at all points in time through foreign exchange forward contracts. The objective of the hedging is to eliminate the currency risk due to volatility in exchange rates.

(a) Foreign Currency Risk Exposure:

The Group's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

	As at 31 March 2019		As at 31 March 2018	
	Financial Assets	**Financial Liabilities**	Financial Assets	Financial Liabilities
USD	**381.97**	**114.65**	1,399.53	0.36
Others	**109.18**	**-**	43.79	-
Total	**491.15**	**114.65**	1,443.32	0.36

Net Exposure to Foreign Currency Risk (Assets - Liabilities)	**As at 31 March 2019**	As at 31 March 2018
USD	**267.32**	1,399.17
Others	**109.18**	43.79
Total	**376.50**	1,442.96

(b) Sensitivity

The sensitivity of profit or loss to changes in the foreign exchange rates arises mainly from foreign currency denominated financial instruments. 10 % appreciation / depreciation of the respective foreign currencies with respect to functional currency (holding all other variables constant) of the Group would result in increase / decrease in the Group's profit before tax as computed below:

	Impact on profit before tax	
	Year ended 31 March 2019	Year ended 31 March 2018
USD sensitivity		
INR/USD -Increase by 10%	**26.73**	139.92
INR/USD -Decrease by 10%	**(26.73)**	(139.92)
Other currencies sensitivity		
INR/Others-Increase by 10%	**10.92**	4.38
INR/Others-Decrease by 10%	**(10.92)**	(4.38)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to risk of changes in market interest rates relates primarily to the Group's debt interest obligation. Further the Group engages in financing activities at market linked rates, any changes in the interest rate environment may impact future rates of borrowings.

The Group's investments in term deposits with bank are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of changes in market interest rates.

The exposure of the Group's financial assets and financial liabilities to interest rate risk is as follows:

	As at 31 March 2019		As at 31 March 2018	
	Floating Rate	**Fixed Rate**	Floating Rate	Fixed Rate
Financial assets	**-**	**162.36**	-	152.83
Financial liabilities	**3,876.53**	**2,500.00**	1,587.29	-
	3,876.53	**2,662.36**	1,587.29	152.83

Increase/ decrease of 50 basis points (holding all other variables constant) in interest rates at the balance sheet date would result in increase/decrease of ₹ **19.38 Lakhs** (31 March 2018 - ₹ 7.94 Lakhs) in interest expense on financial liabilities with floating interest rate and corresponding impact on profit before tax for the year ended 31 March 2019.

The Group invests its surplus funds in fixed deposits. Fixed deposits are held with highly rated banks and companies and have a short tenure and are not subject to interest rate volatility.

(iii) Securities price risk

Securities price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded prices. The Group is not an active investor in equity markets; it continues to hold certain investments in equity for long term value accretion which are accordingly measured at fair value through Other Comprehensive Income. The value of investments in such equity instruments (including quoted and unquoted) as at 31 March 2019 is ₹ **14,834.05 Lakhs** (31 March 2018 - ₹15.093.50 Lakhs). Accordingly, fair value fluctuations arising from market volatility is recognised in Other Comprehensive Income.

33 CAPITAL MANAGEMENT

(a) Risk Management

The Group's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of net debt to equity ratio and maturity profile of overall debt portfolio of the Group.

Net debt implies total borrowings of the Group as reduced by Cash and Cash Equivalent and Equity comprises all components attributable to the owners of the Group

The following table summarises the capital of the Company:

	As at 31 March 2019	As at 31 March 2018
Total borrowings (Refer note 15.1)	**6,376.53**	1,587.29
Less: Cash and cash equivalents (Refer note 9.2)	**(500.21)**	(921.71)
Net Debt	**5,876.32**	665.58
Equity (Refer note 12.1 and 12.2)	**42,808.30**	38,171.40
Net Debt to Equity Ratio	**0.14**	0.02

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

Under the terms of the major borrowing facilities, the Group has complied with the financial covenants as imposed by the bank and financial institutions.

No changes were made to the objectives, policies or processes for managing capital during the years ended **31 March 2019** and 31 March 2018.

(b) Dividend on equity shares

	Year ended 31 March 2019	Year ended 31 March 2018
Dividend declared and paid during the year		
Final dividend for the year ended 31 March 2018 of ₹3.00 (31 March 2017 - ₹1.50) per fully paid share	**522.31**	261.04
Dividend distribution tax on above	**107.36**	53.14
	629.67	314.18
Proposed dividend not recognised at the end of the reporting period		
In addition to the above dividend, since year end the directors of the Parent Company have recommended the payment of a final dividend of **₹3.00** per fully paid share (31 March 2018 – ₹3.00). This proposed dividend is subject to the approval of shareholders of the Parent Company in the ensuing annual general meeting. Hence, no liability has been recognised in books.	**522.31**	522.31
Dividend distribution tax on above	**107.36**	107.36
	629.67	629.67

34 RELATED PARTY DISCLOSURES

a) Where Control exists

Utlimate Holding Company

The Group is controlled by the following entity w.e.f 29 March 2017

Name	Type	Place of Incorporation	Ownership Interest As at 31 March 2019	Ownership Interest As at 31 March 2018
Composure Services Private Limited (CSPL)	Ultimate Holding Company	India	**59.11%**	59.11%

b) Joint venture

Saregama Regency Optimedia Private Limited (SROPL) (under liquidation effective 19 September 2016)

c) Key management personnel of the Parent Company and its Ultimate Holding Company

Name	**Relationship**
Mr.Sanjiv Goenka	Chairman and Non-Executive Director of Parent Company
Mr.Vikram Mehra	Managing Director of Parent Company
Mr.G.B.Aayeer	Whole-time Director and CFO of Parent Company upto 28 May 2018
Mrs.Preeti Goenka	Non-Executive Director of Parent Company
Mrs.Sushila Goenka	Non-Executive Director of Parent Company, deceased on 15 July 2018
Mrs.Avarna Jain	Non-Executive Director of Parent Company, w.e.f. 29 May 2018
Mr. Umang Kanoria	Non-Executive Independent Director of Parent Company
Mr.Bhaskar Raychaudhuri	Non-Executive Independent Director of Parent Company, deceased on 20 November 2018
Mr.Santanu Bhattacharya	Non-Executive Independent Director of Parent Company
Mr.Arindam Sarkar	Non-Executive Independent Director of Parent Company
Mr.Noshir Naval Framjee	Non-Executive Independent Director of Parent Company
Mr.Vineet Garg	Chief Financial Officer of Parent Company w.e.f. 29 May 2018
Mrs.Kamana Khetan	Company Secretary of Parent Company w.e.f. 4 August 2017
Mr.Rajendra Dey	Director of Ultimate Holding Company
Mr.Akhilanand Joshi	Director of Ultimate Holding Company

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

d) Other Related Parties with whom the Company had transactions

Name	**Relationship**
Saregama India Limited Employees Group Gratuity Fund (Gratuity Fund)	Post Employment Benefit Plan of the Parent Company
Saregama India Limited Superannuation Fund (Superannuation Fund)	Post Employment Benefit Plan of the Parent Company

Transactions with related parties

		Year ended 31 March 2019	Year ended 31 March 2018
A	**Utlimate Holding Company**		
	Dividend Paid	**308.75**	154.37
B	**Remuneration to Key management personnel of the Parent Company**		
	Mr.Vikram Mehra	**539.19**	1,353.96
	Mr.G.B.Aayeer	**23.91**	199.26
	Mr.Vineet Garg	**122.10**	-
	Mrs.Kamana Khetan	**9.98**	4.99
C	**Sitting fees paid to Key management personnel of Parent Company**		
	Mr.Sanjiv Goenka	**1.15**	1.10
	Mrs.Preeti Goenka	**0.80**	0.60
	Mrs.Sushila Goenka	**0.40**	0.60
	Mrs.Avarna Jain	**0.60**	-
	Mr.Umang Kanoria	**1.30**	1.30
	Mr.Bhaskar Raychaudhuri	**1.30**	1.15
	Mr.Santanu Bhattacharya	**1.30**	1.20
	Mr.Arindam Sarkar	**0.85**	0.85
	Mr.Noshir Naval Framjee	**1.25**	0.25
D	**Payment to Director of the Parent Company**		
	Rent paid to Mrs.Preeti Goenka	**0.45**	5.40
E	**Post employment benefit plan of the Parent Company**		
	Contribution towards Saregama India Limited Employees Group Gratuity Fund	**30.00**	118.00
	Contribution towards Saregama India Limited Superannuation Fund	**13.22**	12.03

Key management personnel compensation

	Year ended 31 March 2019	Year ended 31 March 2018
Short-term Employee Benefits	**649.58**	732.88
Post Employment Benefits	**21.33**	34.99
Other Long- term Benefits	**7.96**	9.70
Share-based payment	**16.31**	780.64

Balances outstanding at the year end

		As at 31 March 2019	As at 31 March 2018
A	**Joint venture company**		
1)	Non-current investments @		
	SROPL	**145.97**	145.97
2)	Provision for diminution in the value of investments		
	SROPL	**145.97**	145.97

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

B	**Key management personnel of the Parent Company**		
	Remuneration payable		
	- Mr.Vikram Mehra	**1,147.67**	1,124.41
	- Mr.G.B.Aayeer	**21.56**	36.18
	- Mr.Vineet Garg	**17.66**	-
	- Mrs.Kamana Khetan	**1.21**	2.04

@ Gross of Provision.

35 INTEREST IN OTHER ENTITIES:

(a) Interests in subsidiaries

The Parent Company's subsidiaries at 31 March 2019 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name	**Country of incorporation**	**Proportion of Ownership Interest as at**	
		31 March 2019	31 March 2018
Saregama Plc	United Kingdom	**76.41%**	76.41%
RPG Global Music Limited	Mauritius	**100%**	100%
Kolkata Metro Networks Limited	India	**100%**	100%
Open Media Network Private Limited	India	**100%**	100%
Saregama FZE	UAE	**100%**	-
Saregama Inc	USA	**76.41%**	76.41%

(b) Interests in joint venture

Set out below is the joint venture of the Group as at 31 March 2019. The entity have share capital consisting solely of equity shares, which are held directly by the Group. The country of incorporation is also its principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Name	**Country of incorporation**	**Proportion of Ownership Interest as at**	
		31 March 2019	31 March 2018
Saregama Regency Optimedia Private Limited (SROPL)	**India**	**26%**	26%

The above joint venture (JV) company has been directed to be wound up vide Order dated 19 September 2016 by the Hon'ble High Court at Calcutta and the Official Liquidator attached to this Court has forthwith taken into his custody all the property, effects, books of accounts, other documents and actionable claims. Since the parent company has ceased to have control over SROPL from the aforesaid date, its share in net assets of SROPL has been determined as on that date and shown under Investment accounted for using equity method. Accordingly, this entity has not been considered for consolidation by the Group.

36 COMMITMENTS

Estimated amount of contract remaining to be executed on Capital account and not provided for [net of advances of **₹70.00 Lakhs (**31 March 2018 - ₹958.50 Lakhs)] as at 31 March 2019 are estimated at **₹94.00 Lakhs** (31 March 2018 - ₹1,271.00 Lakhs).

37 CONTINGENT LIABILITIES IN RESPECT OF -

(i) Income Tax Matter

The Group has ongoing disputes with income tax authorities in India. The disputes relate to tax treatment of certain expenses claimed as deductions, computation or eligibility of allowances. The Company has contingent liability of **₹1,986.02 Lakhs** as at 31 March 2019 (31 March 2018 - ₹1,461.19 Lakhs) in respect of tax demands which are being contested by the Company based on the management evaluation and advice of tax consultants.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

(ii) Indirect Tax Matter

The Group has ongoing disputes with Indian tax authorities mainly relating to treatment of characterisation and classification of certain items. The Company have demands amounting to **₹889.99 Lakhs** as at 31 March 2019 (31 March 2018 - ₹1,102.62 Lakhs) relating to Excise duty, Custom duty, Service tax, Sales tax/VAT and Other indirect taxes from respective indirect tax authorities which are being contested by the Company based on the management evaluation and advice of tax consultants.

(iii) Copyright Matter

The Group has received legal notices of claims / lawsuits filed against it relating to infringement of copyrights in relation to the music used / other matters. Based on management evaluation and advice from legal solicitors, **₹39.03 Lakhs** (31 March 2018 - ₹138.78 Lakhs) is considered as contingent on account of such claims / law suits.

(iv) There has been a Supreme Court Judgement dated 28 Feb 2019, relating to components of salary structure that need to be taken into account while computing the contribution to provident fund under the EPF act. There are interpretative aspects related to the judgement including the effective date of application. The Group will continue to assess any further developments in this matter for the implications on financial statements, if any.

(v) Other matters including claims related to property related demands **₹3,017.79 Lakhs** (31 March 2018 - ₹1,847.16 Lakhs).

In respect of above, it is not practicable for the Group to estimate the timings of cash outflows, if any, pending resolution of the respective proceedings. The Group does not expect any reimbursements in respect of the above.

38 THE GROUP HAS FOLLOWING UN-HEDGED EXPOSURES IN FOREIGN CURRENCIES

	Year ended 31 March 2019		Year ended 31 March 2018	
	Foreign currency in Lakhs	**Amount in ₹ Lakhs**	Foreign currency in Lakhs	Amount in ₹ Lakhs
Trade Receivables	**USD 5.52**	**381.97**	USD 21.52	1,399.89
Trade Receivables	**SAR 0.04**	**0.75**	SAR 0.06	0.69
Trade Receivables	**LKR 246.28**	**97.23**	LKR 58.93	25.09
Trade Receivables	**MYR 0.06**	**0.93**	MYR 0.09	1.52
Trade Receivables	**QAR 0.21**	**3.99**	QAR 0.05	0.87
Trade Receivables	**AED 0.17**	**3.16**	AED 0.81	13.99
Trade Receivables	**SGD 0.01**	**0.59**	SGD 0.01	0.45
Trade Receivables	**OMR 0.01**	**2.53**	OMR 0.01	1.18
Trade Payables	**USD 1.65**	**114.65**	USD 0.01	0.36

39 BASIC AND DILUTED EARNINGS PER SHARE:

	Year ended 31 March 2019	Year ended 31 March 2018
Number of equity shares at the beginning of the year	**17,410,492**	17,402,938
Number of equity shares at the end of the year	**17,410,492**	17,410,492
Weighted average number of equity shares outstanding during the year (A)	**17,410,492**	17,407,056
Weighted average number of potential equity shares on account of employee stock options (B)	**14,121**	15,808
Weighted average number of equity shares for computing diluted earnings per share [C= (A+B)]	**17,424,613**	17,422,864
Nominal value of each equity share (₹)	**10**	10
Profit after tax before minority interest available for equity shareholders (₹in Lakhs) [D]	**5,432.66**	2,830.17
Basic earnings per share (₹) [D/A]	**31.20**	16.26
Diluted earnings per share (₹) [D/C]	**31.18**	16.24

40 Segment Information

(a) Description of segments and principal activities

The Group's Chief Operating Decision Maker ('CODM') examines the Group's performance and has identified three reportable segments of its business.

Music : The Group is primarily engaged in the business of manufacturing and sale of Music storage device viz. Carvaan, Mini Carvaan, Music Card etc. and dealing with related music rights.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

Film/TV Serials : The Group is also engaged in production and sale/telecast/broadcast of films/TV Serials, pre-recorded programmes and dealing in film rights.

Publication : Group also publishes weekly current affairs magazine 'OPEN' through its publication business.

The segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statement. Also the group's borrowings (including finance costs and interest income), income taxes and investments are managed at head office and are not allocated to operating segments.

Segment Revenue is measured in the same way as in the Statement of Profit and Loss.

Segment assets and liabilities are measured in the same way as in the consolidated financial statements. These assets are allocated based on the operations of the segment and the physical location of the assets.

(b) **Information about reportable segments**

Particulars	Year ended 31 March 2019				Year ended 31 March 2018			
	Music	Films/TV Serials	Publication	Total	Music	Films/TV Serials	Publication	Total
Segment revenue								
- External sales and licence fees	48,968.55	4,764.59	738.84	54,471.98	29,683.00	5,293.10	682.52	35,658.62
- Intersegment sales and licence fees	-	-	-	-	-	-	-	-
Total segment revenue	48,968.55	4,764.59	738.84	54,471.98	29,683.00	5,293.10	682.52	35,658.62

Particulars	Year ended 31 March 2019				Year ended 31 March 2018			
	Music	Films/TV Serials	Publication	Total	Music	Films/TV Serials	Publication	Total
Segment result	12,278.02	(32.37)	(1,029.62)	11,216.03	8,869.01	(204.87)	(1,216.48)	7,447.66
Reconciliation to profit before tax								
Finance costs				(656.03)				(336.69)
Other unallocated expenditure (net of unallocated income)				(2,092.03)				(3,218.58)
Profit before taxation				8,467.97				3,892.39
Taxes				(3,035.31)				(1,062.22)
Profit after Taxes				5,432.66				2,830.17

Particulars	Year ended 31 March 2019					Year ended 31 March 2018				
	Music	Films/TV Serials	Publication	Unallocated	Total	Music	Films/TV Serials	Publication	Unallocated	Total
Segment depreciation and amortisation	287.19	14.52	30.80	-	332.51	344.35	22.32	36.08	12.46	415.21
Non cash expenses*					332.51					415.21

*There are no other significant non-cash expenditure other than depreciation and amortisation

Particulars	As at 31 March 2019				As at 31 March 2018			
	Music	Films/TV Serials	Publication	Total	Music	Films/TV Serials	Publication	Total
Segment assets	45,015.30	5,340.33	517.00	50,872.63	32,579.90	3,375.13	558.58	36,513.61
Reconciliation to total assets								
Unallocated assets				20,007.55				21,325.62
Total assets				70,880.18				57,839.23

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

Particulars	Year ended 31 March 2019					Year ended 31 March 2018				
	Music	Films/ TV Serials	Publication	Unallocated	Total	Music	Films/ TV Serials	Publication	Unallocated	Total
Addition to non current assets other than financial assets	2,108.92	6.76	3.15	-	2,118.83	207.28	45.78	3.30	0.25	256.60

Particulars	As at 31 March 2019				As at 31 March 2018			
	Music	Films/TV Serials	Publication	Total	Music	Films/TV Serials	Publication	Total
Segment liabilities	12,644.74	824.16	326.34	13,795.24	10,225.12	389.80	557.75	11,172.67
Reconciliation to total liabilities								
Unallocated liabilities				14,014.81				8,268.62
Total liabilities				27,810.05				19,441.29

(c) **Additional information by geographies**

The amount of revenue from external customers broken down by the location of the customers is shown in table below-

Revenue from external customers	Year ended 31 March 2019	Year ended 31 March 2018
India	46,108.15	29,209.74
Other Countries	8,363.83	6,448.88
Total	54,471.98	35,658.62

The total of segment assets broken down by location of the assets is shown below-

Non-current assets*	As at 31 March 2019	As at 31 March 2018
India	21,680.47	20,856.16
Other Countries	-	-
Total	21,680.47	20,856.16

* Excluding financial instruments, etc. as defined under Indian Accounting Standard (Ind AS) 108 on 'Operating Segment' notified in the Act.

(d) **Revenue from major customers**

The Group is not reliant on revenues from transactions with any single external customer and does not receive 10% or more of its revenues from transactions with any single external customer.

41.1 The Group has cancellable operating lease arrangements for certain accommodation. Terms of such lease include option for renewal on mutually agreed terms. There are no restrictions imposed by lease arrangements and there are no purchase options or sub leases or contingent rents. Operating lease rentals for the year recognised in Statement of Profit and Loss amounts to **₹422.14 Lakhs** (previous year - ₹410.32 Lakhs).

41.2 Rent income includes payments of **₹ 22.79 Lakhs** (previous year - ₹21.75 Lakhs) for the year relating to agreements entered into by the Group. There are no restrictions imposed by lease arrangements and there are no contingent rents recognised as income for the period. These lease arrangements inter alia include escalation clause/option for renewal.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

42 Additional information pursuant to paragraph 2 of Division II of schedule III to the Companies Act 2013

Name of the Entity	As at 31 March 2019 Net Assets, i.e. total assets minus total liabilities		2018-19 Share in Profit or Loss		2018-19 Share in Other Comprehensive Income		2018-19 Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount	As % of Consolidated profit or loss	Amount	As % of Consolidated Other comprehensive income	Amount	As % of Consolidated Total comprehensive income	Amount
Parent								
Saregama India Limited	98.94%	42,613.72	95.59%	5,193.02	121.48%	(165.85)	94.92%	5,027.17
Subsidiaries								
Indian								
Kolkata Metro Networks Limited	5.93%	2,553.01	0.82%	44.48	27.97%	(38.18)	0.12%	6.30
Open Media Network Private Limited	-15.05%	(6,483.99)	-28.34%	(1,539.57)	-1.23%	1.68	-29.04%	(1,537.89)
Foreign								
RPG Global Music Limited	-1.03%	(443.54)	-0.05%	(2.97)	-	-	-0.06%	(2.97)
Saregama Plc	-1.07%	(461.64)	1.27%	69.06	-33.14%	45.24	2.15%	114.30
Saregama FZE	-0.09%	(38.10)	-1.19%	(64.91)	-4.85%	6.62	-1.10%	(58.29)
Non-Controlling Interest	0.61%	261.83	0.39%	21.32	-10.23%	13.97	0.67%	35.29
Adjustment arising out of consolidation	11.76%	5,068.84	31.51%	1,712.23	-	-	32.34%	1,712.23
Total	**100%**	**43,070.13**	**100%**	**5,432.66**	**100%**	**(136.52)**	**100%**	**5,296.14**

43 Tax expenses is net of Minimum Alternate Tax (MAT) credit of ₹**Nil** (2017-18 ₹728.20 Lakhs) based on income tax computation set out in accounting policy [Note 1(s)] and Company's return of income.

44 On 2 April 2018, there was a fire in the godown (of third party service provider) damaging stocks of the Parent Company. As per the best estimate of the management, the Parent Company had recognised insurance claim receivable as "Other Income" and the corresponding loss against of such stocks was charged off. The Parent Company has subsequently realised ₹3,218.72 Lakhs from the insurance company on 12 April 2019 against the said claim. The impact of the above has been given in the segments results under Music segment.

45 The disclosures regarding details of specified bank notes held and transacted during 8th November 2016 to 30th December 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended 31 March 2019.

46 Previous years figures have been regrouped/reclassified to conform to current year's presentation.

As per our report of even date attached

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

Jayanta Mukhopadhyay
Partner
Membership No.: 055757

Place: Kolkata
Date: 08 May 2019

For and on behalf of the Board of Directors of
Saregama India Limited
CIN : L22213WB1946PLC014346

Sanjiv Goenka
Chairman
DIN: 00074796

Vikram Mehra
Managing Director
DIN: 03556680

Vineet Garg
Chief Financial Officer

Kamana Khetan
Company Secretary
ACS: 35161

Place: Kolkata
Date: 08 May 2019

Place: Kolkata
Date: 08 May 2019

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2019

(Amount in Rupees lakhs, except otherwise stated)

		Year ended 31 March 2019		Year ended 31 March 2018	
A.	**Cash Flow from Operating Activities**				
	Profit Before Tax		**8,467.97**		3,892.39
	Adjustments for:				
	Depreciation and amortisation expense	**332.51**		415.21	
	Allowance for expected credit loss	**(415.67)**		610.61	
	Finance costs	**656.03**		336.69	
	Liabilities/Provisions no longer required written back	**(1,134.80)**		(359.06)	
	Provision for doubtful debts/ advances no longer required written back	**(9.35)**		(30.82)	
	Interest income	**(879.97)**		(353.87)	
	Share based payment expense	**3.05**		8.44	
	Bad debts/advances written off	**24.81**		54.30	
	Loss on disposal of Property, plant and equipment	**0.21**		-	
	Profit on sale of Property, plant and equipment	**(0.88)**		(0.24)	
	Profit on sale of Investment in Mutual Fund	**(0.43)**		-	
	Exchange differences on translation of foreign operations	**65.83**		(35.98)	
	Dividend income from equity investments designated at FVOCI	**(270.40)**		(185.40)	
			(1,629.06)		459.88
	Operating profit before Working Capital Changes		**6,838.91**		4,352.27
	Changes in working capital				
	(Increase) in Other financial assets, Other current assets, Loans, Other non-current assets	**(5,181.77)**		(2,900.16)	
	Increase in Other financial liabilities, Provisions, Other current liabilities	**2,154.69**		4,053.57	
	Increase in Trade payables	**1,739.67**		453.04	
	Increase/(Decrease) in Employee benefit obligations	**84.37**		(36.69)	
	(Increase) in Trade receivables	**(3,238.96)**		(2,742.45)	
	(Increase) in Inventories	**(4,698.37)**		(3,897.60)	
	(Increase) in Other bank balances	**(16.79)**		(154.52)	
			(9,157.16)		(5,224.81)
	Cash used in operations		**(2,318.25)**		(872.54)
	Income taxes paid (net of refund)		**(1,254.57)**		(1,024.16)
	Net cash generated from Operating Activities		**(3,572.82)**		(1,896.70)
B.	**Cash Flow from Investing Activities**				
	Purchase of Property, plant and equipment	**(1,210.45)**		(264.98)	
	Sale of Property, plant and equipment	**0.80**		0.24	
	Interest received	**303.90**		55.86	
	Dividend income from equity investments	**270.40**		185.40	
	Investment in Mutual funds	**(200.00)**		-	
	Proceeds from sale of Investment in Mutual funds	**200.43**		-	
	Net cash used in Investing Activities		**(634.92)**		(23.48)

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2019 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

	Year ended 31 March 2019		Year ended 31 March 2018	
C. Cash Flow from Financing Activities				
Proceeds from Short term borrowings	**4,789.24**		1,291.74	
Proceeds form issue of Share capital	**-**		0.76	
Share Premium on issue of shares	**-**		3.32	
Dividend paid	**(515.30)**		(259.10)	
Dividend distribution tax paid	**(107.36)**		(53.14)	
Interest paid	**(380.81)**		(72.81)	
Net cash generated from Financing Activities		**3,785.77**		910.77
Net decrease in cash and cash equivalents (A+B+C)		**(421.97)**		(1,009.41)
Cash and Cash Equivalents at the beginning of the year (refer note 9.2)		**921.71**		1,895.14
Effect of exchange rate on translation of foreign currency cash and cash equivalents		**(0.47)**		35.98
Cash and Cash Equivalents at the end of the year (refer note 9.2)		**500.21**		921.71

Notes:

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

2 Previous years figures have been regrouped/reclassified to conform to current year's presentation.

3 Reconciliation of liabilities from financing activities

	Balance as at 1 April 2018	Cash flows	Non-cash changes	Balance as at 31 March 2019
Borrowings	**1,587.29**	**4,789.24**	**-**	**6,376.53**
Total liabilities from financing activities	**1,587.29**	**4,789.24**	**-**	**6,376.53**

	Balance as at 1 April 2017	Cash flows	Non-cash changes	Balance as at 31 March 2018
Borrowings	295.55	1,291.74	-	1,587.29
Total liabilities from financing activities	295.55	1,291.74	-	1,587.29

The accompanying notes 1 to 46 are an integral part of these consolidated financial statements

As per our report of even date attached

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

Jayanta Mukhopadhyay
Partner
Membership No.: 055757

Place: Kolkata
Date: 08 May 2019

For and on behalf of the Board of Directors of
Saregama India Limited
CIN : L22213WB1946PLC014346

Sanjiv Goenka
Chairman
DIN: 00074796

Vineet Garg
Chief Financial Officer

Place: Kolkata
Date: 08 May 2019

Vikram Mehra
Managing Director
DIN: 03556680

Kamana Khetan
Company Secretary
ACS: 35161

Place: Kolkata
Date: 08 May 2019

Form AOC-1

(Prusuant to first proviso to sub-section (3) of section 129 read with rule of Companies (Accounts) Rules,2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/ joint ventures

Part "A": Subsidiaries

(Amount in Rupees lakhs, except otherwise stated)

Name of the subsidiary	Saregama Plc, United Kingdom	Saregama Inc, United States of America ##	"Saregama FZE, Dubai @"	RPG Global Music Limited, Mauritius	Kolkata Metro Networks Ltd,India	Open Media Network Private Limited,India
1. Reporting period for the subsidiary concerned, if different from the holding company's reporting period	No	No	No	No	No	No
2. Reporting currency and exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	GBP #	USD *	AED ***	INR	INR	INR
3. Share capital	69.24	**	20.19	1,026.20	1,705.00	107.56
4. Other Equity / Reserves & surplus	(292.69)	2.18	(64.86)	(1,469.75)	848.01	(6,591.55)
5. Total assets	780.72	503.10	95.46	4.92	2,982.04	511.51
6. Total Liabilities (excluding Capital and Reserves)	1,004.17	500.92	140.13	448.47	429.03	6,995.50
7. Details of Investment (except in case of investment in the Subsidiaries)	-	-	-	-	2,710.46	-
8. Turnover	1,309.83	1,005.96	56.65	0.58	171.31	885.92
9. Profit /(Loss) before taxation	(151.61)	25.87	(65.83)	(2.97)	47.18	(1,540.47)
10. Provision for taxation	-	-	-	-	2.71	(0.90)
11. Profit after taxation	(151.61)	25.87	(65.83)	(2.97)	44.47	(1,539.57)
12. Proposed Dividend	-	-	-	-	-	-
13. % of shareholding	76.41%	76.41%	100%	100%	100%	100.00%

# GBP exchange rates as at year end considered for conversion:
GBP1 = ₹88.96 for Asset (Closing Buying Rate), Fixed Asset at Historical cost
GBP1 = ₹91.96 for Liabilites(Closing Selling Rate), Share Capital and Share Premium at Historical cost
GBP1 = ₹90.09 for Income (Average Buying Rate)
GBP1 = ₹93.04 for Expense (Average Selling Rate)
*** AED exchange rates as at year end considered for conversion:
AED1 = ₹18.26 for Asset (Closing Buying Rate),
AED1 = ₹19.43 for Liabilites(Closing Selling Rate), Share Capital at Historical cost
AED1 = ₹18.42 for Income (Average Buying Rate)
AED1 = ₹19.59 for Expense (Average Selling Rate)
* Rate Conversion from GBP to USD is 1.3080
** Amount is below the rounding off norm adopted by the Company
Step down subsidiary of the Parent company through Saregama Plc.
@ Wholly owned subsidiary of the Pareny Company, incorporated on 28.08.2018.

Part "B": Associates and Joint Ventures

(Amount in Rupees lakhs, except otherwise stated)

Name of Associates/Joint Ventures	Saregama Regency Optimedia Private Limited
1. Latest audited Balance Sheet Date	*
2. Shares of Associate/Joint Ventures held by the company on the year end	
No.	*
Amount of Investment in Associates/Joint Venture	*
Extend of Holding %	*
3. Description of how there is significant influence	*
4. Reason why the associate/joint venture is not consolidated	*
6. Networth attributable to Shareholding as per latest audited Balance Sheet	*
7. Profit / Loss for the year	
i. Considered in Consolidation	*
ii. Not Considered in Consolidation	*

* Saregama Regency Optimedia Private Limited (SROPL), a joint venture of the Company had been directed to be wound up vide Order dated 19 September 2016 by the Hon'ble High Court at Calcutta and the Official Liquidator attached to this Court has forthwith taken into his custody all the property, effects, books of accounts, other documents and actionable claims. Accordingly, the financial statements of SROPL has been prepared up to the date, preceding the date of Court Order.
In view of the above, joint venture is not consolidated and salient features of the financial statement of joint venture is not disclosed

Sanjiv Goenka	V. Mehra	Vineet Garg	Kamana Khetan
Chairman	Managing Director	Chief Financial Officer	Company Secretary
DIN: 00074796	DIN: 03556680		ACS: 35161

Kolkata,
8 May 2019

NOTICE

SAREGAMA INDIA LIMITED

CIN: L22213WB1946PLC014346
Regd. Office: 33, Jessore Road, Dum Dum, Kolkata – 700028.
Tel: 033-2551 2984/4773, E-mail: co.sec@saregama.com, Web: www.saregama.com

Notice to the Members

Notice is hereby given that the Seventy-Second Annual General Meeting("AGM") of the Members of Saregama India Limited will be held on Friday, July 19, 2019 at 10.30 A.M. at Mohit Moitra Mancha, 34/1, Raja Manindra Road, Paikpara, Kolkata-700 037, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt:
   (a) the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2019, together with the Reports of the Board of Directors and Auditors thereon.
   (b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2019 and the Report of Auditors thereon.
2. To declare a final dividend of ₹ 3.00 per equity share for the year ended March 31, 2019.
3. To appoint Mrs. Preeti Goenka (DIN: 05199069), who retires by rotation and being eligible, offers herself for re-appointment as a Director.

SPECIAL BUSINESS

4. Ratification of remuneration of Cost Auditor

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the consent of the Company be and is hereby accorded for the ratification of appointment of M/s. Shome & Banerjee, Cost Accountants (Firm Registration No. 000001), being the Cost Auditors appointed by the Board of Directors of the Company ('the Board') for the Financial Year ending March 31, 2020 with a remuneration of ₹ 1,00,000/- (Rupees One Lakh only).

RESOLVED FURTHER THAT, the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

5. Variation in the remuneration paid/payable to Mr. Vikram Mehra (DIN: 03556680), Managing Director of the Company

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to recommendation of the Nomination and Remuneration Committee, and approval of the Board of Directors of the Company in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and in partial modification of the resolution passed by the Members on July 31, 2015 for the appointment of Mr. Vikram Mehra (DIN: 03556680) as the Managing Director of the Company, consent of the Company be and is hereby accorded for revision in the salary paid/payable to Mr. Vikram Mehra (DIN: 03556680) w.e.f. July 1, 2018, as detailed in the explanatory statement forming part of this notice.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper and expedient to give effect to this resolution."

6. Re-appointment of Mr. Vikram Mehra (DIN: 03556680) as Managing Director of the Company for a period of 5 years

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to recommendation of the Nomination and Remuneration Committee, and approval of the Board of Directors of the Company in accordance with the provisions of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or any re-enactment thereof, for the time being in force) and subject to such other approvals as may be necessary, the Company hereby approves the re-appointment of Mr. Vikram Mehra (DIN: 03556680) ('Mr. Mehra') as Managing Director of the Company pursuant to the provisions of the Articles of Association of the Company for a period of 5 years with effect from 27th October, 2019 whose period of office shall be liable to determination by retirement of directors by rotation."

NOTICE *(contd.)*

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper and expedient to give effect to this resolution.

7. **Amendment to the Saregama India Limited Employees Stock Option Scheme 2013**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 62 of the Companies Act, 2013 and Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI SBEB Regulations" or the "Guidelines") (including any statutory modifications or re-enactments thereof), upon recommendation of the Nomination and Remuneration Committee ('NRC') and the Board of Directors, subject to the Articles of Association and such other approvals, permissions and sanctions as may be necessary, approval of the members of the Company be and is hereby accorded for amending various clauses in the 'Saregama India Limited Employees Stock Option Scheme 2013' (hereinafter referred to as 'ESOS' or the 'ESOP 2013 scheme') to effect implementation of the said scheme through an Employee Welfare Trust (hereinafter referred to as "ESOP Trust) which was approved by the members at the Annual General meeting held on July 26, 2013 and to capture other amendments to effect the said change including such other changes as made in the guidelines from time to time, as detailed under the explanatory statement to item no. 7 below."

RESOLVED FURTHER THAT it is hereby noted that the amendments to the Scheme are not prejudicial to the interests of the option holders.

RESOLVED FURTHER THAT the Board of Directors of the company be and are hereby authorized to settle all questions, difficulties or doubts that may arise in relation to the implementation of scheme**.**

RESOLVED FURTHER THAT the Board of Directors and/ or the NRC be and is hereby authorised to take such steps to give effect to and matters which are incidental or consequent to the amendments made to the Scheme and the terms of the stock options, including issuance of necessary documents to the employees, filings of documents with authorities and such other steps or acts as the Board of Directors/ NRC may deem fit for this purpose.

RESOLVED FURTHER THAT the Directors of the Company be and hereby authorized to do all such acts, deeds and things as may be considered necessary and expedient to implement the aforesaid decision of the Board."

8. **Authorization to Employee Welfare Trust for Secondary Market Acquisition and provision of money**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of SEBI SBEB Regulations (including any statutory modifications or re-enactments thereof), upon recommendation of the Nomination and Remuneration Committee and the Board of Directors and subject to such other approvals, permissions and sanctions as may be necessary, approval of the members of the Company be and is hereby accorded for acquisition by the ESOP Trust of fully paid equity shares of the Company of face value of INR 10/- of maximum 5% (Five percent) of the paid-up equity share capital of the Company, but not exceeding the limits (as prescribed under the SEBI SBEB Regulations) through recognised stock exchanges in one or more tranches and that the Board of Directors of the Company (including the NRC), be and is hereby authorised to do all such acts to give effect to this including any matters incidental or connected to it.

"RESOLVED THAT pursuant to the provisions of Section 62(1)(b), 67 and all other applicable provisions, if any, of the Companies Act, 2013 read with Rule 16 of the Companies (Share Capital and Debentures) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), SEBI SBEB Regulations, the Memorandum and Articles of Association of the Company, consent of the Shareholders of the Company be and is hereby accorded to the Board for provision of money to the Trust set-up by the Company, in one or more tranches not exceeding 5% (Five percent) of the aggregate of the paid-up share capital and Free Reserves for the purpose of subscription and/or purchase of equity shares of the Company by the Trust/ Trustees, in one or more tranches, with a view to deal in such equity shares in line with contemplated objectives of the ESOP schemes implemented by the Company or for any other purpose(s) as permitted under and in due compliance with the provisions of the SEBI SBEB Regulations, the Companies Act, 2013 and rules made thereon and other applicable laws and regulations.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issue, bonus issue, buy-back, split or consolidation of shares, etc. of the Company, the number and percentage of the shares of the Company to be acquired from the secondary market by the Trust shall be appropriately adjusted.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board or the officers authorised by the Board in this regard be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary or expedient and to settle any questions, difficulty or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company."

NOTICE *(contd.)*

9. Grant of options to the employees during any one year, equal to or exceeding 1% of the issued capital of the Company

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT in accordance with Regulation 6(3)(d) of the SEBI (Share Based Employee Benefits) Regulations, 2014, consent of the members be and is hereby accorded for the grant of Stock Options to the identified employees, during any one year equal to or exceeding 1% (One percent) of the issued, subscribed and paid-up capital of the Company at the time of grant of option.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors ("Board of Directors" which term shall be deemed to include NRC thereof) be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose, on behalf of the Company to settle all questions, difficulties or doubts that may arise in this regard, as it may, in its absolute discretion deem fit, without being required to seek any further consent or approval of the member(s)."

10. Approval to a scheme of loan for the employees including the Managing Director / Whole-Time Director of the Company

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to Section 185 and all other applicable provisions of the Companies Act, 2013 and Rules made there under as may be amended, from time to time, the approval of the members be and is hereby accorded for the formulation of a Scheme of loan for the employees including Managing Director / Whole-Time Director of the Company, in accordance with the terms and conditions as may be prescribed by the Board of Directors/ Nomination and Remuneration Committee."

RESOLVED FURTHER THAT the Board of Directors/ Nomination and Remuneration Committee be and is hereby authorised to approve the amount of the loan to be provided to the employees including Managing Director / Whole-Time Director in one or more tranches, fix the tenure of such loan and to prescribe such other conditions and formalities, as may be necessary and incidental in relation to the operationalisation of such scheme."

Registered Office:
33, Jessore Road, Dum Dum
Kolkata-700 028

Dated: May 8, 2019
Place: Kolkata
CIN: L22213WB1946PLC014346

By Order of the Board

Kamana Khetan
Company Secretary

NOTES:

1. The relevant Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 ('Act'), in respect of the Special Business under Item Nos. 4 to 10 set out above and details as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, as amended ('SEBI Listing Regulations'), entered with the Stock Exchanges and Secretarial Standard on General Meetings (SS-2) in respect of the Directors seeking re-appointment at this Annual General Meeting is annexed hereto as "**Annexure A**".

2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/PROXIES NEED NOT BE A MEMBER OF THE COMPANY. A person can act as Proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% (ten percent) of the total share capital of the Company. Members holding more than 10% (ten percent) of the total share capital of the Company may appoint a single person as Proxy, who shall not act as a Proxy for any other Member. If a proxy is appointed for more than 50 members, he shall choose any fifty members and confirm the same to the Company before the commencement of inspection period. In case if the proxy fails to do so the Company shall consider only the first fifty proxies received as valid.

   The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the Meeting. A Proxy form is annexed with this Notice. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Meeting.

3. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.

NOTICE *(contd.)*

4. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, MCS Share Transfer Agent Limited, 383, Lake Gardens, 1st Floor, Kolkata – 700045 (Contacts: Mr. P. Basu / Mr. S. Ghosh / Mr. P. Mukherjee), Telephone: (033) 4072 4051 – 53, Fax: (033) 4072 4050, Email: mcssta@rediffmail.com for assistance in this regard.

5. Members are requested to send all communications relating to shares to the Registrar and Share Transfer Agents of the Company at the following address:

   383, Lake Gardens,
   1st Floor, Kolkata – 700045

6. Members who hold shares in electronic form are requested to write their Client ID and DP ID number and those who hold shares in physical form are requested to write their folio numbers in the attendance slip for attending the meeting to facilitate identification of membership at the AGM.

7. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, July 13, 2019 to Friday, July 19, 2019 (both days inclusive).

8. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their demat accounts dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.

9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form or transferees of Physical Shares must furnish their self-attested copy of the PAN card to the Company/Registrar and Share Transfer Agents.

10. a. Pursuant to various provision of Companies Act and Listing Regulations, companies can serve Annual Report and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository. Members holding shares in physical form, who have not registered their email address with the Company, are requested to submit their request with their valid email address to the Registrar and Share Transfer Agents of the Company. Members holding shares in demat form are requested to register/update their email address with their Depository Participant directly.

    b. To support the 'Green Initiative', Members who have not registered their e-mail addresses are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

11. Members may also note that the Annual Report for the financial year 2018-19 and the Notice of the 72nd Annual General Meeting will also be available on the website of the Company **www.saregama.com**. The Notice of AGM shall also be available on the website of NSDL viz. **https://evoting.nsdl.com**.

12. The Annual Report for the financial year 2018-19, the Notice of the 72nd Annual General Meeting and all documents referred to in the Notice and the Explanatory Statement will be available for inspection by the Members at the Registered Office of the Company during normal business hours between 9.30 am to 6.00 p.m. and on all working days except Saturday, Sunday and National Holidays up to the date of the Annual General Meeting.

13. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of contracts or arrangements in which the Directors are interested will be available for inspection by the Members at the Registered Office of the Company during normal business hours on all working days, except Saturdays and National Holidays up to the date of the Annual General Meeting.

14. Members are requested to:

    a. intimate any change in their addresses/mandates and address all their queries relating to shares of the Company to the Registrar and Share Transfer Agents i.e. MCS Share Transfer Agent Limited, for shares held in physical form.

    b. quote Client ID and DP ID in respect of shares held in dematerialized form and ledger folio number in respect of shares held in physical form in all the correspondence.

    c. make nomination in respect of the shares held in physical form in the Company. The Nomination Form as prescribed by the Ministry of Corporate Affairs can be obtained from the Registrar and Share Transfer Agents of the Company. Members holding shares in electronic form are requested to contact their Depository Participant directly for recording their nomination.

NOTICE *(contd.)*

15. Non-Resident Indian Members are requested to inform the Registrar and Share Transfer Agents i.e. MCS Share Transfer Agent Limited immediately on:
    a. the change in residential status on return to India for permanent settlement; and
    b. the particulars of the bank account(s) maintained in India with complete name, branch, account type, account number and address of the bank, if not furnished earlier.
16. The Members/Proxies are requested to bring the attendance slip duly filled in for attending the Meeting.
17. The facility for voting through ballot/polling papers shall also be made available at the Annual General Meeting. The Members attending the Meeting who have not casted their vote by remote e-voting shall be able to exercise their right at the Meeting.
18. **DIVIDEND:** Dividend to be declared at this Meeting, will, subject to the provisions of section 126 of the Companies Act, 2013, be deposited with the Bank and dividend will be paid not later than 30 days from the date of declaration of dividend to those Members who hold shares in physical form and whose names appear on the Register of Members on July 12, 2019 or to their mandates. In respect of shares held in electronic form as on the Record Date of July 12, 2019, dividend will be paid on the basis of beneficial ownership as per details furnished by the National Securities Depository Ltd. and Central Depository Services (India) Ltd., for this purpose. Dividend Tax will be paid by the Company pursuant to section 115-0 of the Income Tax Act, 1961.
19. Pursuant to Section 72 of the Act read with the Rules made thereunder, Members holding shares in single name may avail the facility of nomination in respect of shares held by them. Members holding shares in physical form may avail this facility by sending a nomination in the prescribed Form No. SH-13 duly filled, to the Registrar and Share Transfer Agents - MCS Share Transfer Agent Limited. Members holding shares in electronic form may contact their respective Depository Participant(s) for availing this facility.
20. Members/ Proxies are requested to bring the Attendance Slip(s) duly filled in and copies of the Annual Report at the AGM.
21. Electronic copy of Annual Report for the financial year 2018- 19 and Notice calling the 72nd AGM of the Company inter alia indicating the process and manner of Remote E-voting along with Attendance Slip and Proxy Form is also being sent to all members whose email ID is registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For Members who have not registered their e-mail address, physical copy of Annual Report for the financial year 2018-19 and Notice of the 72nd AGM of the Company inter alia indicating the process and manner of Remote E-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
22. **UNCLAIMED DIVIDEND**: Details of dividend unclaimed by Members for the past years which have not yet been transferred to the Central Government have been uploaded on the Company's website **www.saregama.com**. Members are advised to view the lists and lodge their claim with our Registrars & Share Transfer Agents for dividend which have remained unclaimed.
23. **TRANSFER TO IEPF:** Dividend not claimed within 7 years will be transferred to the Investor Education and Protection Fund (IEPF). All unpaid / unclaimed dividend for the Financial Year ended 31st March, 2013 is due to be transferred to the aforesaid account on or before 28th September, 2020. Claims for payment of such dividend should, therefore be lodged to the Company or to its Registrar and Share Transfer Agents, MCS Share Transfer Agent Limited, 383, Lake Gardens, 1st Floor, Kolkata – 700045 immediately.
24. **MEMBERS holding shares in physical form are requested to consider converting their holding to dematerialize form to eliminate all risks associated with physical shares and ease of portfolio management. Members can contact the Company or the Registrar and Share Transfer Agents i.e. MCS Share Transfer Agent Limited for assistance in this regard.**
25. Members having queries relating to Accounts may send their queries at least 7 days before the date of the Meeting, to the Company's Secretarial Department at 33, Jessore Road, Kolkata – 700028.
26. Members may also note that the Annual Report including the notice of the 72nd Annual General Meeting will also be available on the Company's website www.saregama.com.
27. Route map and prominent landmark for easy location of venue of the AGM is provided in the notice of Annual General Meeting and the same shall also be available on the Company's website **www.saregama.com**
28. Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in.
29. At the seventieth AGM held on July 28, 2017 the members approved appointment of M/s. BSR & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022) as Statutory Auditors of the Company to hold office for a period of five years subject to ratification of their appointment by Members at every AGM, if so required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the seventy second AGM.

NOTICE *(contd.)*

30. Voting through Electronic means :

1. (A) The Company will provide to its Members the facility to vote on the resolutions proposed to be considered at the 72nd Annual General Meeting (AGM) by electronic means and the business may be transacted through such voting with services provided by National Securities Depository Limited (NSDL).

   (B) The facility for voting, either through electronic voting system or ballot or polling paper shall also be made available at the AGM and the Members attending the Meeting who have not already cast their vote from a place other than the venue of the AGM by using the said electronic voting system (such voting hereinafter referred to as "e-voting") shall be able to exercise their voting right at the Meeting.

   (C) The Members who have cast their vote by e-voting prior to the Meeting may also attend the Meeting but shall not be entitled to cast their vote again.

2. The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

   Step 1 : Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/

   Step 2 : Cast your vote electronically on NSDL e-Voting system.

   Details on Step 1 is mentioned below:

   How to Log-in to NSDL e-Voting website?

   1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
   2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
   3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

      Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
   4. Your User ID details will be as per details given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

   5. Your password details are given below:

      a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

      b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need enter the 'initial password' and the system will force you to change your password.

      c) How to retrieve your 'initial password'?

      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

NOTICE *(contd.)*

(ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

   a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) "**Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to goenkamohan@hotmail.com to with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in.

I. The Company Secretary shall address investors' grievances relating to voting by electronic means and may be contacted at co.sec@saregama.com or at the Registered Office of the Company.

II. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending the future communication(s).

III. The e-voting period commences on July 16, 2019 (9.00 A.M.) and ends on July 18, 2019 (5.00 P.M.). During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of July 12, 2019, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently or cast his vote again.

NOTICE *(contd.)*

IV. The voting rights of shareholders shall be in proportion to their shares on the paid up equity share capital of the Company as on the cut-off date of July 12, 2019.

V. Mr. Mohan Ram Goenka, Practicing Company Secretary (Membership No. F4515and CP no: 2551) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

VI. The Scrutinizer shall, immediately after conclusion of voting at the AGM, first count the votes cast at the Meeting, thereafter unblock the votes cast through e-voting in the presence of at least two witnesses not in employment of the Company and make, not later than three days of conclusion of the Meeting, a consolidated Scrutinizer's Report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same.

VII. The Results shall be declared on forthwith upon receipt of the Scrutinizer's Report. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.saregama.com and on the website of NSDL immediately after their declaration by the Chairman and communicated to the Stock Exchanges where the shares of the Company are listed.

The facility of voting through ballot paper or polling paper shall also be made available for the Members at the Annual General Meeting who have not been able to vote electronically and who are attending the Meeting. The Members who have cast their vote electronically would be entitled to attend the Annual General Meeting but would not be permitted to cast their vote again at the Meeting.

Once the vote is cast, the Member cannot change the same or recast the same again.

NOTICE *(contd.)*

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4

Pursuant to Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Company is required to appoint a cost auditor to audit the cost records of the applicable products of the Company on such remuneration as may be determined by the Members.

On the recommendation of the Audit Committee at its meeting held on May 8, 2019, the Board has, considered and approved the appointment of Messrs. Shome & Banerjee, Cost Accountants as the Cost Auditor for the financial year 2019-20 at a remuneration of ₹ 1 lakh per annum plus applicable taxes and reimbursement of out of pocket expenses.

The Board recommends the resolution at Item no. 4 of the accompanying notice for the approval of shareholders of the Company as an Ordinary Resolution.

None of the Directors/Key Managerial Personnel of the Company/their relatives are in any way, concerned or interested, financially or otherwise, in the said resolution.

Item No. 5

The Members of the Company on July 31, 2015 had approved the appointment of Mr. Vikram Mehra (DIN: 03556680) as a Managing Director of the Company and the terms of remuneration payable to him.

Taking into consideration his present salary and future revisions, if any, and based on the recommendation of Nomination and Remuneration Committee, the Board of Directors on January 25, 2019 decided to revise the salary payable to Mr. Vikram Mehra (DIN: 03556680) w.e.f. July 1, 2018. Details of revised remuneration paid / payable to Mr. Vikram Mehra (DIN: 03556680) is given below:

Basic Salary	₹ 80,90,280 per annum
House Rent Allowance	₹ 48,54,168 per annum
Customized Allowance Pool (comprising of Management Allowance)	₹ 2,18,85,008 per annum
Car	₹ 12,94,445 per annum
Driver, Petrol and others	₹ 6,47,222 per annum
Medical	₹ 20,231 per annum
Performance Bonus	₹ 94,40,547 This is only an indicative amount. The actual Bonus is based on performance of both individual and Company; as per company's policy.
Provident Fund	₹ 9,70,834 per annum
Total	**₹4,72,02,735 per annum**

The other allowances such as club fees, hospitalization insurance, term life insurance premium, reimbursements, benefits and perquisites payable to Mr. Mehra as approved by the shareholders at its meeting held on July 31, 2015 shall remain unchanged except to the extent altered as above. Provided further, the total annual remuneration payable to Mr. Mehra is in accordance with the conditions as contained in Section 197 read with Schedule V of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013.

The Information as required under Schedule V of the Companies Act, 2013 is mentioned below:

I. General Information:

- Nature of Industry: Media and entertainment

  Date or expected date of Commencement of commercial Production: Not applicable (The Company is an existing company).

- In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not applicable.

- Financial information based on given indicators (Standalone) of last 3 years

₹ In lakhs

Particulars	FY 16-17	FY 17-18	FY 18-19
Total Income	22,401.38	35,982.51	58,391.01
Profit after Tax	1000.20	3,050.73	5,193.02

- Foreign investments or Collaborators, if any:

NOTICE *(contd.)*

The Company has made direct investments in the following international subsidiaries:

1. Saregama Plc
2. RPG Global Music Ltd
3. Saregama FZE

II. Information about the Managing Director:

1. Background Details:

   Mr. Vikram Mehra is the Managing Director of the Company since October 27, 2014. Before joining Saregama, Mr. Mehra served as Chief Marketing Officer and Chief Commercial Officer at Tata Sky Limited until October 2014. In his decade-long stint at Tata Sky, he was responsible for subscription revenue management, brand marketing, new product development, customer analytics, interactive service operations, consumer research and PR. Mr. Mehra has a wealth of experience in handling the ever developing digital platforms. His deep understanding of various aspects and facets of digital media spearheads the growth momentum at Saregama of transforming and expanding the music label into a digital business. He started his career with Tata Consultancy Services as Senior Systems Analyst. After spending two years there, he moved to Tata Administrative Services as a Manager. He has also worked with Tata Motors during his seven year stint with Tata Group. Prior to joining Tata Sky, he was with News Corp owned STAR TV from 2000 to 2004 as Vice President, where he led its foray into DTH and cable services in India. He has been a Managing Director at Saregama India Limited since October 27, 2014. Mr. Mehra holds MBA from IIM Lucknow and a B.Tech in Computer Science from IIT Roorkie.

2. Past remuneration:

Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	₹ 484.22 lakhs
Value of perquisites u/s 17(2) Income-tax Act, 1961	₹ 13.88 lakhs
Others, (please specify)- Retirals, Others etc.	₹ 24.83 lakhs*
Total	**₹ 522.93 lakhs**

   *The Above remuneration does not include Stock Appreciation Rights (SAR) provision of ₹ 16.26 lakhs for the year 2018-19.

3. Recognition or awards:

   Mr. Vikram Mehra is widely recognised by the industry as a leader setting new directions to tap unexplored potentials of the industry. Adopting a contrarian approach, Mr. Mehra made stupendous success out of a physical music device Carvaan in the music physical market facing extinction. Under his stewardship, the Company re-entered the film business but with a disciplinarian approach to cater to newly evolved digital market for the films. Mr. Mehra won prestigious Chairman's special award for outstanding contribution and leadership in 2018.

4. Job profile and his suitability:

   Mr. Vikram Mehra is the Managing Director of the Company since October 27, 2014. Mr. Mehra has wealth of experience in handling complexities of IP based businesses for the new age highly competitive markets. He has lead the launch of innovative physical device "Carvaan"; which took the market by storm immediately after its introduction. Under leadership of Mr. Mehra, the Company has posted all round improvements in its operations and profitability.

5. Remuneration proposed:

   Details of revised remuneration paid / payable to Mr. Vikram Mehra (DIN: 03556680) is given below:

Basic Salary	₹ 80,90,280 per annum
House Rent Allowance	₹ 48,54,168 per annum
Customized Allowance Pool (comprising of Management Allowance)	₹ 2,18,85,008 per annum
Car	₹ 12,94,445 per annum
Driver, Petrol and others	₹ 6,47,222 per annum
Medical	₹ 20,231 per annum
Performance Bonus	₹ 94,40,547 This is only an indicative amount. The actual Bonus is based on performance of both individual and Company; as per the Company's policy.
Provident Fund	₹ 9,70,834 per annum
Total	**₹ 4,72,02,735 per annum**

Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)

The remuneration payable to the Managing Directors has been benchmarked with the remuneration being drawn by similar positions in the Media and Entertainment industry.

6. Pecuniary relationship directly or indirectly with the Company or relationship with managerial personnel, if any:

   The Managing Director have no pecuniary relationship directly or indirectly with the Company except to the extent of their remuneration and shareholdings in the Company.

III. Other Information:

1. Reasons of loss or inadequate profits:

   The Company has been running its operations efficiently and has been consistently reporting profits.

2. Steps taken or proposed to be taken for improvement:

   The Company remains committed to generate superior returns for its stakeholders and has been successfully taking business initiatives to grow size of its operations and the profits.

3. Expected increase in productivity and profits in measurable terms:

   The parameters of assessing productivity have been widely accepted norms of market share and profitability/financial ratios. The Company has shown appreciable improvements on these parameters besides reporting healthy profits.

IV. Disclosures:

The past and proposed remuneration of the Managing Director is mentioned under the heading "Information about the Managing Director" above.

(1) Remuneration package of the managerial person: Same is fully described in the respective Resolution and/or Explanatory Statement;

(2) Following disclosures forms part of the Annual Report:

- All elements of remuneration package such as salary, benefits, stock options, pension etc. of all the directors;
- Details of fixed component and performance linked incentives along with the performance criteria;
- Service contracts, notice period, severance fees;
- Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.

The Board recommends the resolution set forth in Item No. 5 for the approval of the Members as a Special Resolution.

Except Mr. Vikram Mehra (DIN: 03556680), none of the Directors/Key Managerial Personnel of the Company/their relatives are in any way, concerned or interested, financially or otherwise, in the said resolution.

Item No. 6

The Board of Directors ('the Board') appointed Mr. Vikram Mehra (DIN: 03556680) ('Mr. Mehra') as the Managing Director for five years with effect from October 27, 2014 on such terms and conditions including his remuneration as approved by the Members of the Company at the Sixty-Eighth Annual General Meeting held on July 31, 2015 by means of a Special Resolution in terms of the prevailing requirements under the provisions of the Companies Act, 2013 ('the Act').

The Board on recommendation of the Nomination and Remuneration Committee ('the Committee') considered that Mr. Mehra's level of competence and outstanding contribution towards developments in Company's business areas would be of immense benefit towards the future business and financial growth of the Company thereby it is desirable to continue to avail of his services as Managing Director. Accordingly, on the recommendation of the Committee and subject to the approval of the shareholders in general meeting, the Board at its meeting held on May 8, 2019 approved re-appointment of Mr. Mehra as Managing Director of the Company for a second term of 5 years with effect from October 27, 2019 under the relevant provisions of the Act read with Article 125 of the Articles of Association of the Company whose period of office shall be liable to determination by retirement of directors by rotation.

The proposed re-appointment and the terms of remuneration of Mr. Mehra as Managing Director for the second term with effect from October 27, 2019 are in accordance with the conditions specified in Sections 196 and 197 of the Act read with Schedule V thereof.

Additional information in respect of Mr. Mehra pursuant to the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 as amended and the Secretarial Standard on General Meetings, appear elsewhere in the Notice.

NOTICE *(contd.)*

The Board recommends the Resolution set forth in Item No. 6 of the Notice convening the Meeting be approved as a Special Resolution.

Except Mehra, none of the Directors/Key Managerial Personnel of the Company/their relatives are in any way, concerned or interested, financially or otherwise, in the said resolution.

Item No. 7

The Company has to-date introduced three employee benefit schemes viz. Employee Stock Option Scheme 2013 ('ESOP 2013 scheme'), Stock Appreciation Rights, 2014 ('SAR 2014 scheme') and Stock Appreciation Rights, 2018 ("SAR 2018 scheme'). The said schemes were approved by the shareholders previously at the Annual General Meetings held on 26th July 2013, 31st July 2015 and 27th July 2018, respectively.

The Company is of the view that operating a single scheme in the long-term would be more efficient from an administrative perspective and thus, the NRC and the Board of Directors at their meetings held on May 8, 2019, approved the gradual cancellation of the SAR 2014 and SAR 2018 schemes and the continuance of the ESOP 2013 scheme, albeit with certain amendments which are recommended for the approval of the shareholders of the Company.

The employees holding SARs under the SAR 2014 and SAR 2018 schemes will be granted equivalent number of stock options under the amended ESOP 2013 scheme in lieu of and as and when the SARs under the respective schemes are cancelled by the NRC. Further, the issuance of the stock options under the said scheme shall be at an exercise price similar to that, which was granted to them under the SAR schemes to ensure that the cancellation is not detrimental to the interest of the employees.

In relation to the amendments proposed to the ESOP 2013 scheme, the NRC and the Board of Directors have recommended amendments to effect implementation of the scheme through an ESOP Trust, which will acquire shares from secondary market. Further, certain other amendments are to be carried out to give effect to the said change and capture other changes made in the SEBI SBEB Regulations from time to time. This proposal will be in the best interest of the Company and its shareholders, as it will not cause any loss to the existing shareholders from dilution in their shareholding. In addition, the scheme will be easier and efficient to operate, as there would be no requirement to allot shares each time an employee exercises the options.

In addition, the Company proposes to capture other amendments to effect the above change and such other changes as made in the SEBI SBEB Regulations, 2014 from time to time.

The present and future employees of the Company shall be the beneficiaries of all the amendments proposed. Also, the amendments proposed are not prejudicial to the interest of the eligible employees and option holders covered under the said scheme.

A statement containing the proposed significant amendments to the clauses of the ESOP 2013 scheme is enclosed as **"Annexure B"**. A copy of the amended ESOP 2013 scheme will be available for inspection by the Members at the Registered Office of the Company during normal business hours and on all working days except Saturday, Sunday and National Holidays up to the date of the Annual General Meeting.

The following are the salient features of the Scheme, and various disclosures as required in terms of SEBI SBEB Regulations, to be interpreted in conjunction with the ESOP 2013 scheme or its modifications as applicable:

Total number of options to be granted	The number of Shares, which shall be granted under the Scheme, will not exceed 5% (Five percent) of the issued and subscribed Share Capital of the Company.
Identification of Classes of Employees entitled to participate in ESOP	(i) Permanent employee of the company who has been working in India or outside India; or (ii) Director of the company, whether a whole-time director or not but excluding an independent director; or (iii) Employee as defined in clauses (i) or (ii) above of a subsidiary, in India or outside India, or of a holding company of the company, but does not include- (a) an employee who is a promoter or a person belonging to the promoter group; or (b) a director who either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten percent of the outstanding equity shares of the company.
Requirement of Vesting and Period of Vesting	The continuation of the employee in the service of the Company shall be a primary requirement of the vesting. There shall be a minimum period of one year between the date of grant of options and vesting of options. The maximum vesting period shall not exceed five years. The vesting shall happen in one or more tranches as may be decided by the NRC. If the services of the employee/ Director (including whole-time Director) is terminated, by resignation or otherwise, the options, to the extent not vested, shall lapse / expire and be forfeited forthwith. In the event of death of an employee or if he suffers permanent incapacity while in employment, all the options granted to him till the date of death or permanent incapacity, as the case may be, shall vest with his legal heirs / in him on that date.
Maximum period within which the ESOP shall be vested	The maximum period within which the options shall be vested would be five years from the date of grant.

NOTICE *(contd.)*

Exercise Price or Pricing Formula	To be determined by the NRC from time to time, in accordance with the provisions of the applicable laws, provided that the exercise price shall not be below the face value of the equity shares of the Company.
Exercise Period and Process of Exercise	The exercise period shall commence from the date of vesting and will expire not earlier than 10 years from the date of vesting of Options, i.e. where the options are vested in tranches, the 'date of vesting' referred to hereinabove, would be with reference to the actual vesting of the options at each tranche / phase or installment of vesting. The options would be exercisable by submitting the requisite application form / exercise notice to the Company or such other person as the Company may prescribe, subject to conditions for payment of Exercise Price in the manner prescribed by the Board. All the participants in the Scheme shall deliver a written notice of exercise, in the prescribed form, to the Board on or before the expiry of the exercise period.
Appraisal Process for determining the eligibility of employees for the Scheme	The appraisal process for determining the eligibility of the employee will be specified by the Board and will be based on any or all of the following criteria: • Performance of the employee • Position and responsibility of the employee • Present grade and compensation structure of the employee • Exceptional contribution made by the employee • Integrity and behavior of the employee • Such other parameters as may be decided by the Board • The committee may at its discretion extend the benefits of the ESOP to a new entrant or any existing employee on such other basis as it may deem fit.
Maximum number of Options / Quantum of benefits to be issued per employee and in aggregate	The maximum number of options to be granted in aggregate shall not exceed 5% (Five percent) of the aggregate of number of issued equity shares of the Company at any point of time. The maximum number of options to be granted per employee shall be as determined by the NRC from time to time. Provided that in case of issue of Stock Options to identified employees, during any one year exceeds 1% (One percent) of the issued, subscribed and paid-up capital of the Company at the time of grant of option, approval of the shareholders by way of a separate resolution shall be obtained.
Mode of implementation	The scheme shall be implemented through an ESOP Trust or by way of primary issuance. The ESOP Trust shall be authorized to acquire equity shares of the Company from the secondary market within the limits prescribed under the SEBI SBEB Regulations. The Company proposes to provide financial assistance to the ESOP Trust for this purpose, subject to the overall limits specified under the Applicable Laws, if any.
Confirmation with the Accounting Policies	The Company shall confirm to the Accounting Policies specified as per Indian Accounting Standards notified by Ministry of Corporate Affairs (‘Ind AS’).
The method the Company shall use to value the options	The company shall follow the fair value method to value the options.

As per the ESOP Regulations, any modification in the employees stock option schemes by the Company requires approval of the members by way of special resolution. Accordingly, approval of the members through special resolution is sought to modify the ESOP 2013 scheme as set out in item 7 above.

The Board recommends the resolution in Item No. 7 for the approval of the Members as Special Resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or have interest, financial or otherwise, in the said resolution except to the extent of their entitlements, if any, under the ESOP Scheme.

Item No. 8

In terms of the SEBI SBEB Regulations, the ESOP schemes may be implemented by acquisition of existing shares of the Company from the secondary market through the trust.

It is proposed that the ESOP 2013 scheme be administered and implemented through the ESOP Trust. In this regard, upon approval of the members and after complying with the procedural and statutory formalities, the ESOP trust, is empowered to acquire in one or more tranches, maximum 5% (Five percent) of the paid-up equity shares of the Company, but not exceeding the limits (as prescribed under the SEBI SBEB Regulations) through secondary market acquisition from recognised stock exchanges.

Further, in order to support the acquisition of shares from the secondary market by the Trust, the Company proposes to provide money to the Trust in one or more tranches not exceeding 5% (Five percent) of the aggregate of the paid-up share capital and Free Reserves of the Company, subject to the overall limits specified under the applicable Laws, on such terms and conditions as may be determined by the Board from time to time.

NOTICE *(contd.)*

Disclosures as required pursuant to Rule 16 of the Companies (Share Capital and Debentures) Rules, 2014:

1. **The class of employees for whose benefit the scheme is being implemented and money is being provided for purchase of or subscription to shares:**

   (i) Permanent employee of the company who has been working in India or outside India; or

   (ii) Director of the company, whether a whole-time director or not but excluding an independent director; or

   (iii) Employee as defined in clauses (i) or (ii) above of a subsidiary, in India or outside India, or of a holding company of the Company, but does not include- (a) an employee who is a promoter or a person belonging to the promoter group; or (b) a director who either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten percent of the outstanding equity shares of the Company.

2. **The particulars of the trustee or employees in whose favor such shares are to be registered:**

   The shares will be registered in the name of all or any of the trustees to hold equity shares of the Company for and on behalf of the ESOP trust.

3. **The particulars of trust and name, address, occupation and nationality of trustees and their relationship with the promoters, directors or key managerial personnel, if any:**

   Name and Address of the Trust: Saregama Welfare Trust, 33, Jessore Road, Dum Dum, Kolkata - 700028

Name of First Trustees	Address	Occupation	Nationality
Mr. Subhasis Mitra	19, Kabir Road Kolkata – 700 026	Service	Indian
Mrs. Sonalika Johri Gupta	F-1501,F-Wing,Raj Legacy, LBS Marg, Near Home Town, Vikhroli (West) Mumbai - 400083	Service	Indian

   None of the trustees are related to the Promoters/ Directors/ Key Managerial Personnel of the Company. Subject to the compliance of the provisions of the Applicable Laws, the Board may change the aforesaid trustees at any time.

4. **The any interest of key managerial personnel, directors or promoters in such scheme or trust and effect thereof:**

   The Key Managerial Personnel and Directors are interested in the ESOP scheme only to the extent of stock options that may be granted to them under the scheme.

5. **The detailed particulars of benefits which will accrue to the employees from the implementation of the scheme:**

   Upon exercise of the options, the eligible employees will be entitled to equivalent number of shares of the Company at a pre-determined exercise price as per the terms of grant.

6. **The details about who would exercise and how the voting rights in respect of the shares to be purchased or subscribed under the scheme would be exercised;**

   In line with the requirements of the ESOP regulations, the trustees of the Trust shall not exercise voting rights in respect of the shares of the Company held by the ESOP trust.

In terms of the provisions of the applicable laws, approval of the members by passing of special resolution as set out in Item No. 8 is sought for the secondary market acquisition of equity shares of the Company by the ESOP trust for implementation of the ESOP scheme and also to provide money to the trust for acquisition of the shares.

The Board recommends the passing of resolution for approval of the members as special resolution in Item No. 8.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or have interest, financial or otherwise, in the said resolution except to the extent of their entitlements, if any, under the ESOP Scheme.

Item No. 9

As per Regulation 6(3) of the SEBI SBEB Regulations, a separate special resolution is required to be passed if the benefits of the Scheme are to be extended to identified Employees, during any one year, equal to or exceeding 1% of the issued capital of the company at the time of grant of option.

NOTICE *(contd.)*

Further, the Company / Nomination and Remuneration Committee may identify certain employee(s) to whom it may be necessary to grant option exceeding 1% in one year to ensure continuity of their service with the Company and other business demographics.

The resolution as set out provides that the Company may grant option equal to or exceeding 1% to identified employee(s) of the Company. The Board and the NRC recommends the passing of resolution for approval of the members as special resolution in Item No. 9.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or have interest, financial or otherwise, in the said resolution except to the extent of their entitlements, if any, under the ESOP Scheme.

Item No. 10

In compliance with the provisions of Section 185 of the Companies Act, 2013, considering the association and efforts of the employees including the Managing Director towards the Company, the Board proposes to introduce a scheme for giving loan to the employees of the Company including the Managing Director.

The Board of Directors of the Company at their meeting held on May 8, 2019 has approved the introduction of the scheme of loan and authorised the Nomination and Remuneration Committee to formulate the same, including specifying the maximum amount of loan that can be given in compliance with the provisions of the Companies Act, 2013 and all applicable laws in one or more tranches, the loan tenure and such other terms and conditions as may be necessary.

The sanction of the loan to the employees including the Managing Director / Whole-Time Director will also be at the sole discretion of the said Committee and the said scheme shall be reviewed by the Board of Directors from time to time.

The Board recommends the passing of resolution for approval of the members as special resolution in Item No. 10.

Except for Mr. Vikram Mehra, Managing Director of the Company, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or have interest, financial or otherwise.

Registered Office:
33, Jessore Road, Dum Dum
Kolkata-700 028

Dated: May 8, 2019
Place: Kolkata
CIN: L22213WB1946PLC014346

By Order of the Board

Kamana Khetan
Company Secretary

NOTICE *(contd.)*

“ANNEXURE A”

Details of Director seeking Appointment/re-appointment at the Annual General Meeting

Name of the Director	Mrs. Preeti Goenka	Mr. Vikram Mehra
DIN	05199669	03556680
Age	56	47
Date of Birth	16-07-1962	30-07-1971
Date of first Appointment on the Board	May 27, 2013	October 27, 2014
Brief resume and expertise in Specific Functional Areas	Mrs. Preeti Goenka completed her schooling from Welhams Girls High School, Dehradun and later studied Interior Designing at South Delhi Polytechnic to secure a diploma. Married to Mr. Sanjiv Goenka, Mrs. Preeti Goenka has vast experience in interior designing having handled a number of prestigious projects, both residential and commercial. She is the co-founder of Stylefile, the well-known Kolkata movement to promote art in everyday life and support creative talents in diverse fields, particularly lifestyle. A past President of the Ladies Study Group of Indian Chamber of Commerce Kolkata, currently she is an Executive Committee Member of the Birla Industrial & Technological Museum, Kolkata. She has requisite experience in General administration.	Mr. Vikram Mehra is the Managing Director of the Company since October 27, 2014. Before joining Saregama, Mr. Mehra served as Chief Marketing Officer and Chief Commercial Officer at Tata Sky Limited until October 2014. In his decade-long stint at Tata Sky, he was responsible for subscription revenue management, brand marketing, new product development, customer analytics, interactive service operations, consumer research and PR. Mr. Mehra has a wealth of experience in handling the ever developing digital platforms. His deep understanding of various aspects and facets of digital media spearheads the growth momentum at Saregama of transforming and expanding the music label into a digital business. He started his career with Tata Consultancy Services as Senior Systems Analyst. After spending two years there, he moved to Tata Administrative Services as a Manager. He has also worked with Tata Motors during his seven year stint with Tata Group. Prior to joining Tata Sky, he was with News Corp owned STAR TV from 2000 to 2004 as Vice President, where he led its foray into DTH and cable services in India. He has been a Director at Saregama India Limited since October 27, 2014. Mr. Mehra holds MBA from IIM Lucknow and a B.Tech in Computer Science from IIT Roorkie.
Qualifications	Mrs. Preeti Goenka completed her schooling from Welhams Girls High School, Dehradun and later studied Interior Designing at South Delhi Polytechnic to secure a diploma.	Mr. Mehra holds MBA from IIM Lucknow and a B.Tech in Computer Science from IIT Roorkie.
Directorship held in other public companies (excluding foreign and private companies, but includes directorship held in private companies which are subsidiaries of public companies)	Phillips Carbon Black Limited	The Indian Performing Rights Society Limited
Membership/Chairmanship of committees of other Public Limited Companies	Nil	Saregama India Limited – Finance Committee
Disclosure of relationships between directors *inter-se* and Manager and other Key Managerial Personnel of the Company	Mrs. Preeti Goenka is related to Mr. Sanjiv Goenka and Mrs. Avarna Jain, the Non-Executive Directors of the Company.	Nil
Terms and conditions of appointment or re-appointment.	Mrs. Preeti Goenka will be re-appointed as a Non-Executive Director of the Company	As mentioned in the Item Nos. 5 and 6 of the Notice to 72nd Annual General meeting
Details of remuneration sought to be paid and the remuneration last drawn by such person	Nil except sitting fees	As mentioned in the Item Nos. 5 and 6 of the Notice to 72nd Annual General meeting
No. of shares held in the company as on the date of notice	Nil	Nil
Number of Board meetings attended during the year	4	5
Performance evaluation done or not	Yes	Yes

NOTICE *(contd.)*

ANNEXURE B

Statement containing significant proposed amendments to the clauses of the ESOP 2013 scheme

1. The following are the significant amendments to be made to the scheme:

Clause no.	Existing clause	Proposed clause
3(d)	"Compensation Committee" means a Committee of Directors of the Company as constituted by the Board of Directors of the Company on 25th March, 2013 entrusted with the authority to formulate, implement and administer the ESOS.	"Nomination and Remuneration Committee" means a Committee of Directors of the Company as constituted by the Board of Directors of the Company and entrusted with the authority to formulate, implement and administer the ESOS, as required under Section 178 of the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
3(f)	"Eligible Employee" means a permanent Employee, including a Director whether the whole-time director or otherwise and also such permanent Employee of such of the Company's subsidiary companies (now or hereinafter existing), including a Whole-time Director / Managing Director of the subsidiary, who are in such Grades or Levels as may be decided by the Compensation Committee and who qualify for issue of Options under this Scheme.	"Eligible Employee" means: (i) A permanent employee of the company who has been working in India or outside India; or (ii) A director of the company, whether a whole-time director or not but excluding an independent director; or (iii) An employee as defined in clauses (i) or (ii) of a subsidiary, in India or outside India, or of a holding company of the company but does not include- (a) an employee who is a promoter or a person belonging to the promoter group; or (b) a director who either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten percent of the outstanding equity shares of the company.
3(l)	"Exercise Price" means the price determined by the Compensation Committee from time to time at which the eligible Employees shall be authorized to exercise their Options provided that such price is not detrimental to such eligible Employees' interest and is in accordance with the provisions of Clause 8.1 read with Schedule I of the Guidelines.	"Exercise Price" means the price determined by the Nomination and Remuneration Committee from time to time at which the eligible Employees shall be authorized to exercise their Options.
3(o)	"Option" means a stock Option granted by the Company pursuant to the Scheme, which would be convertible into equity Shares. This is a right but not an obligation granted to an Employee under the Scheme to apply for and be allotted equity Shares of the Company at the Exercise Price, during or within the Exercise Period, subject to the requirements of vesting. Each Option granted would represent the right to apply for one equity share of the Company of the face value of ₹10/- per share.	"Option" means the option given to an employee which gives him a right to purchase or subscribe at a future date, the shares offered by the company, directly or indirectly, at a pre-determined price.
3(ya)	Not provided	"Trust" shall mean an Employee Welfare Trust created and established under the Indian Trusts Act, 1882 by the Board of Directors of the Company for holding the shares for the benefit of the eligible employees in accordance with the terms and conditions of this ESOP scheme.
3(yb)	Not provided	"Trustees" means the trustees of the Trust for the time being and persons nominated/ appointed as such from time to time by the Board of Directors of the Company and to perform such actions and deeds as stipulated in the Trust Deed.
5(a)	The number of Shares, which shall be granted under the Scheme, will not exceed 5% of the issued and subscribed Share Capital of the Company as on 31st March 2013. The maximum number of Options granted to any one Eligible Employee shall not exceed 30,000 (thirty thousand) in a financial year.	The number of Shares, which shall be granted under the Scheme, will not exceed 5% of the issued and subscribed Share Capital of the Company.

NOTICE *(contd.)*

Clause no.	Existing clause	Proposed clause
5(b)	The Compensation Committee appointed by the Board shall administer the Scheme. The Company has a Compensation Committee to choose Eligible Employees for grant of Options. The Company would issue Options to the Employees, as decided by the Board of Directors/ Compensation Committee.	The ESOP 2013 Scheme shall be implemented through the Trust and administered by the Nomination and Remuneration Committee in accordance with the provisions of the Act and SEBI SBEB Regulations. The issuance of Shares from the Trust by the Trustees will be under the guidance, advice and direction of the Nomination and Remuneration Committee. The said scheme can also be implemented directly by the Company through primary issuance. The Trust shall hold the Shares, for and on behalf of the eligible Employees, in accordance with the terms and conditions of this ESOP 2013 Scheme. The Trust shall acquire Shares by way of secondary market acquisition in one or more tranches and shall utilize such shares for the purpose of transferring them to the Optionee upon Exercise of the Options under the Scheme (in the manner specified by the Committee). The Trustees will act as custodians of the matters and issues relating to and arising out of finances and Shares available with the Trust.
5(c)	Not provided	Inclusion of the below clause: The terms and conditions in respect of grant, vesting and exercise of options by the employees may be different for different classes of employees falling in the same tranche of grant of options issued under the scheme.
7.2	Each Option entitles the holder thereof to apply for and be allotted one equity Share, of the nominal value of ₹10/- each on the payment of the Exercise Price during the Exercise Period. The Exercise Period shall commence from the date of vesting and will expire not earlier than 10 years from the date of vesting of Options. If the day of exercise happens to be a holiday as per the Company's rules, then the same will be presumed to be previous working day of the Company. In the event of exercise of Options resulting in fractional Shares, the Compensation Committee shall round off the number of Shares to be issued to the nearest whole number, and the Exercise Price shall be correspondingly adjusted. The Optionee shall give prior notice to the Company of 7 days or more before issuing the Exercise Application.	Each Option entitles the holder thereof to apply for and be allotted one equity Share, of the nominal value of ₹10/- each by the Trust or by direct issuance by the Company, on the payment of the Exercise Price during the Exercise Period. The Exercise Period shall commence from the date of vesting and will expire not earlier than 10 years from the date of vesting of Options. In the event of exercise of Options resulting in fractional Shares, the Nomination and Remuneration Committee shall round off the number of Shares to be issued to the nearest whole number, and the Exercise Price shall be correspondingly adjusted. The Optionee shall give prior notice to the Company of 7 days or more before issuing the Exercise Application.
7.3	Not provided	Inclusion of the below clause: The Nomination and Remuneration Committee in his absolute discretion may permit the Options granted, which have not Vested to be exercised within such time and on such terms and conditions as he may determine. The Vesting Plan shall be provided to the eligible employees in the Grant Letter / Option Agreement.

2. All references to the 'Compensation Committee' have been changed to 'Nomination and Remuneration Committee' or 'NRC'
3. Besides the above, some generic changes in language have been made in the Scheme as also changes, in order to give effect to the aforesaid amendments.

SAREGAMA INDIA LIMITED

CIN : L22213WB1946PLC014346

Regd. Office: 33, Jessore Road, Dum Dum, Kolkata – 700028.

Tel: 033-2551 2984/4773, **E-mail:** co.sec@saregama.com, **Web:** www.saregama.com

Form No. MGT-11

Proxy Form

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s):

Registered address:

E-mail Id:

Folio No./ Client Id:

DP ID:

I/ We being the member of Saregama India Limited holding….............................. shares, hereby appoint

1. Name: ....

   Address: ....

   E-mail Id:..

   Signature: ....or failing him/her

2. Name: ....

   Address: ....

   E-mail Id:..

   Signature: ....or failing him/her

3. Name: ....

   Address: ....

   E-mail Id:..

   Signature: ....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at 72nd Annual General Meeting of members of the Company, to be held on Friday, July 19, 2019 at Mohit Moitra Mancha, 34/1, Raja Manindra Road, Paikpara, Kolkata - 700 037 at 10.30 A.M., and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Resolutions	Vote*		
		For	Against	Abstain
	Ordinary Business			
1.	To receive, consider and adopt: (a) the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2019, together with the Reports of the Board of Directors and Auditors thereon. (b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2019 and the Report of Auditors thereon			
2.	To declare a final dividend of ₹.3.00 per equity share for the year ended 31st March, 2019.			
3.	To appoint Mrs. Preeti Goenka (DIN: 05199069), who retires by rotation and being eligible, offers herself for re-appointment as a Director.			
	Special Business			
4.	Ratification of remuneration of Cost Auditor			
5.	Variation in the remuneration paid/payable to Mr. Vikram Mehra (DIN: 03556680), Managing Director of the Company			
6.	Re-appointment of Mr. Vikram Mehra (DIN: 03556680) as Managing Director of the Company for a period of 5 years			
7.	Amendment to the Saregama India Limited Employees Stock Option Scheme 2013			
8.	Authorization to Employee Welfare Trust for Secondary Market Acquisition and provision of loans			
9.	Grant of options to the employees during any one year, equal to or exceeding 1% of the issued capital of the Company			
10.	Approval to a scheme of loan for the employees including the Managing Director / Whole-Time Director of the Company			

Signed this …................................ day of …........................… 2019

Signature of Shareholder: …..……

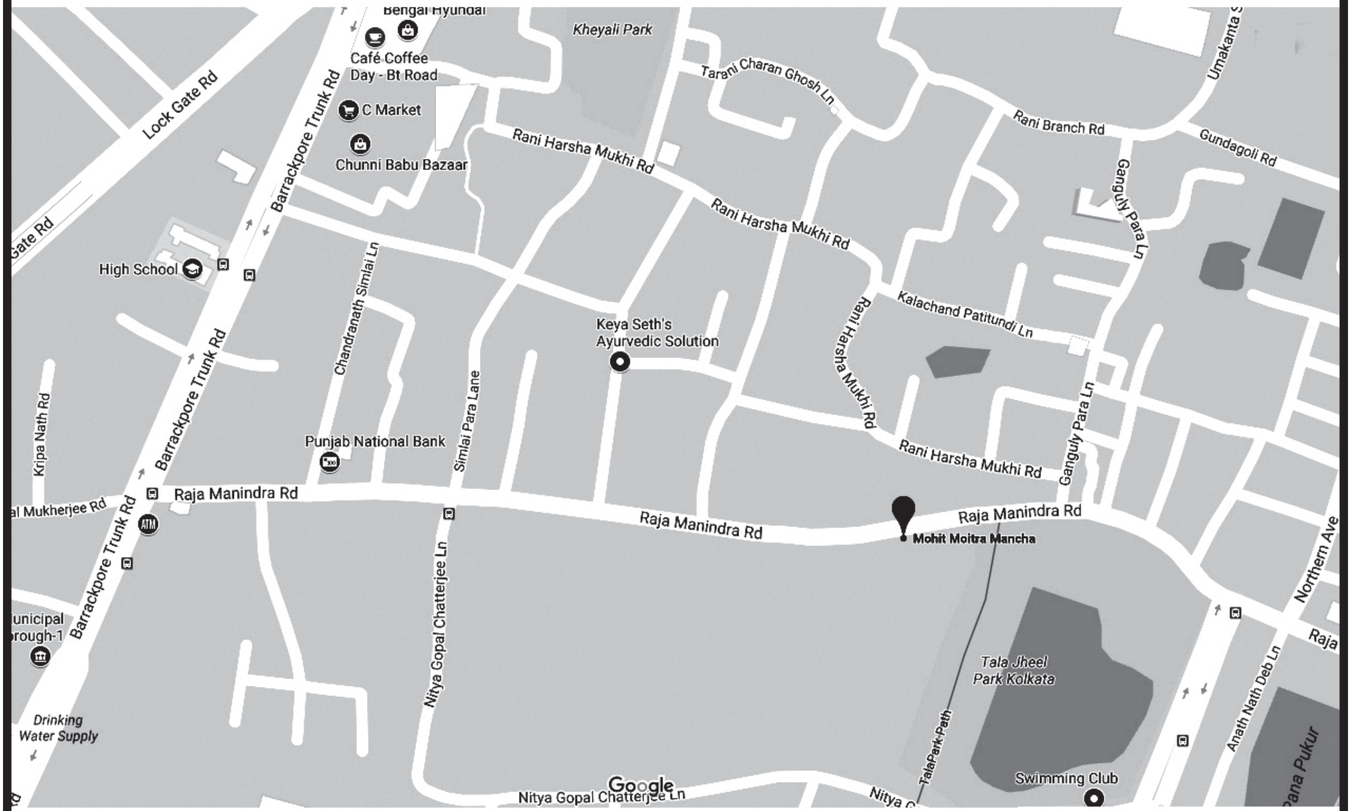
Signature of Proxy holder(s)……..

Note:

1. **This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, before the commencement of the Meeting.**
2. For the Resolutions, Explanatory Statements and Notes, please refer the Notice of Annual General Meeting.
3. The Company reserves its right to ask for identification of the proxy.
4. The proxy form should be signed across the Revenue Stamp as per specimen signature(s) registered with the Company/depository participant.
5. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company may appoint a single person as a proxy and such person cannot act as a proxy for any other person or shareholder
6. *It is optional to put 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all resolution, your proxy will be entitled to vote in the manner as he/she thinks appropriate.

NOTICE *(contd.)*

ROUTE MAP TO SAREGAMA AGM VENUE



Mohit Moitra Mancha
34/1, Raja Manindra Road, Paikpara
Kolkata - 700 037

NOTES

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Conceptualised, designed and developed by **Valorem Advisors** - www.valoremadvisors.com

soul of India

Saregama India Limited

'The Studios @ Dum Dum', 33, Jessore Road, Kolkata - 700 028, India