



## Board of Directors

*Mr. S. Goenka*  
*Chairman*

*Mrs. P. Goenka*

*Mrs. S. Goenka*

*Mr. U. Kanoria*

*Mr. P. K. Mohapatra*

*Mr. B. Raychaudhuri*

*Mr. S. Bhattacharya*

*Mr. A. Sarkar*

*Mr. V. Mehra*

*Mr. G. B. Aayeer*

## **GM - Legal & Company Secretary**

Mr. Tony Paul

## **Auditors**

Price Waterhouse  
*Chartered Accountants*

## **Legal Advisors**

Khaitan & Company

## **Registrars and Share Transfer Agents**

MCS Share Transfer Agent Ltd.  
12/1/5, Manoharpukur Road  
Kolkata - 700 026

## **Bankers**

United Bank of India  
State Bank of India  
ICICI Bank Limited

## **Registered Office**

‘The Studios@Dum Dum’  
33, Jessore Road  
Dum Dum  
Kolkata - 700 028

# SAREGAMA INDIA LIMITED

## CORPORATE INFORMATION

CIN : L22213WB1946PLC014346

Web : [www.saregama.com](http://www.saregama.com)

### Registered Office & Studios

'The Studios @ Dum Dum'

33, Jessore Road

Kolkata - 700 028

Phone : (033) 2551 2984, 4773

e-mail : [co.sec@saregama.com](mailto:co.sec@saregama.com)

### Regional Offices

2, Chowringhee Approach

Kolkata - 700 072

Phone : (033) 6550 2113

Fax No. : (033) 2212 8911

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2nd Floor, Spencer Building

30, Forjett Street,

Grant Road (W),

Mumbai - 400 036

Phone : (022) 6688 6200

6, DDA Commercial Complex  
3rd Floor

Panchsheel Park

New Delhi - 110 017

Phone : (011) 4052 1912

Fax No : (011) 4052 1913

Door No. 2, 3, 4 & 5

3rd Floor, Kasi Arcade

No. 116, Thyagaraya Road, T. Nagar

Chennai - 600 017

Phone : (044) 2815 1669 - 73

Fax No. : (044) 2815 1674

## 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 Sixty-Ninth Annual General Meeting of the Members of Saregama India Limited will be held at Mohit Moitra Mancha, 34/1, Raja Manindra Road, Paikpara, Kolkata-700 037, on Friday, the 22nd day of July, 2016 at 10.00 A.M. to transact the following business:

1. To consider and adopt the Audited Financial Statements (including the Consolidated Financial Statements) of the Company for the year ended 31st March, 2016, and the Reports of the Board of Directors ("the Board") and the Auditors thereon.
2. To declare a final dividend of ₹1.50 per equity share for the year ended 31st March, 2016.
3. To appoint a Director in place of Mr. Sanjiv Goenka (DIN 00074796) who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mrs. Preeti Goenka (DIN 05199069) who retires by rotation and, being eligible, offers herself for re-appointment.
5. To ratify the appointment of Auditors and to fix their remuneration and for the purpose to consider and, if thought fit, to pass with or without modification(s), the following **Ordinary Resolution** thereof:

**"RESOLVED THAT** pursuant to the provisions of Sections 139(2) and 142 of the Companies Act, 2013 and rules made there under and pursuant to recommendation of Audit Committee of the Board of Directors, and pursuant to the Resolution passed by the Members at the Annual General Meeting (AGM) held on 30th July, 2014 the appointment of M/s. Price Waterhouse (Firm Registration No. 301112E), Chartered Accountants, allotted by The Institute of Chartered Accountants of India (ICAI), as Statutory Auditors of the Company to hold office till the conclusion of the next AGM be and is hereby ratified and that the Board of Directors be and is hereby authorized to fix the remuneration payable to them for the financial year ending 31st March, 2017 as may be determined by the Audit Committee in consultation with the Auditors, and that such remuneration may be paid on a progressive billing basis as may be agreed upon between the auditors and the Board of Directors from time to time plus applicable service tax."

## SPECIAL BUSINESS

To consider and if, thought fit, to pass with or without modification(s), the following Resolutions:

6. As an **Ordinary Resolution**

**"RESOLVED THAT** pursuant to Sections 149, 150, 152, 161 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Umang Kanoria (DIN 00081108) who was appointed as an Additional Director of the Company by the Board of Directors with effect from 28th September, 2015, pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, who holds office upto the date of this Annual General Meeting of the Company and in respect of whom Company had received a notice in writing from a Member under Section 160 of the Companies Act, 2013 read with (Appointment and Qualification of Director) Rules, 2014 proposing the candidature of Mr. Umang Kanoria for the office of a Director of the Company, be and is hereby elected and appointed as a Non-Executive Independent Director, whose period of office shall not be liable to determination by retirement of directors by rotation, for a period of five consecutive years with effect from 28th September, 2015."

7. As an **Ordinary Resolution**

**"RESOLVED THAT** pursuant to Sections 149, 150, 152, 161 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Santanu Bhattacharya (DIN 01794958) who was appointed as an Additional Director of the Company by the Board of Directors with effect from 22nd December, 2015, pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, who holds office upto the date of this Annual General Meeting of the Company and in respect of whom Company had received a notice in writing from a Member under Section 160 of the Companies Act, 2013 read with (Appointment and Qualification of Director) Rules,

**NOTICE (contd.)**

2014 proposing the candidature of Mr. Santanu Bhattacharya for the office of a Director of the Company, be and is hereby elected and appointed as a Non-Executive Independent Director, whose period of office shall not be liable to determination by retirement of directors by rotation, for a period of five consecutive years with effect from 22nd December, 2015.”

8. *As an Ordinary Resolution*

“**RESOLVED THAT** pursuant to Sections 149, 150, 152, 161 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Arindam Sarkar (DIN 06938957) who was appointed as an Additional Director of the Company by the Board of Directors with effect from 22nd December, 2015, pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, who holds office upto the date of this Annual General Meeting of the Company and in respect of whom Company had received a notice in writing from a Member under Section 160 of the Companies Act, 2013 read with (Appointment and Qualification of Director) Rules, 2014 proposing the candidature of Mr. Arindam Sarkar for the office of a Director of the Company, be and is hereby elected and appointed as a Non-Executive Independent Director, whose period of office shall not be liable to determination by retirement of directors by rotation, for a period of five consecutive years with effect from 22nd December, 2015.”

9. *As a Special Resolution*

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and Articles of Association of the Company and subject to the approval of Central Government or other Government authority / agency / board, if any, the consent of the shareholders of the Company be and is hereby accorded to pay remuneration including partially amending / varying the remuneration paid / payable to Mr. G. B. Aayeer (DIN 00087760), the Whole-time Director, on the terms and conditions set out in the Supplemental Agreement entered into between the Company and Mr. G. B. Aayeer, copy whereof initialed by the Chairman is laid on the table for the purpose of identification, which Agreement is hereby specifically approved, as follows :-

With effect from 1st July, 2015 -

- Basic Salary : ₹3,12,870/- per month
- Management Allowance : ₹3,12,870/- per month

“**RESOLVED FURTHER THAT** all other terms and conditions including other allowances, reimbursements, benefits and perquisites paid / payable to Mr. G. B. Aayeer shall remain unchanged except to the extent altered as above.”

“**RESOLVED FURTHER THAT** consent of the shareholders of the Company be and is hereby also accorded that where in any financial year the Company has no profits or inadequate profits then remuneration as decided be paid with the prior approval of the Central Government.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company or any committee thereof be and is hereby authorized to do all such acts, deeds and things as in its absolute discretion it may think necessary, expedient or desirable; to settle any question or doubt that may arise in relation thereto in order to give effect to the foregoing resolution and to seek such approval / consent from the government departments, as may be required in this regard.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company or any committee thereof be and is hereby authorized to amend, alter, modify or otherwise vary the terms and conditions of appointment of Mr. G. B. Aayeer, Whole-time Director, including the components of the remuneration paid / payable to him.”

Registered Office:  
‘The Studios @ Dum Dum’  
33, Jessore Road,  
Kolkata-700 028  
Dated: 25th May, 2016

By Order of the Board  
  
Tony Paul  
GM Legal & Company Secretary  
[Membership No. - F7908]

**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM DULY COMPLETED AND SIGNED SHOULD BE LODGED WITH THE COMPANY AT ITS REGISTERED OFFICE AT LEAST 48 HOURS BEFORE THE TIME OF THE MEETING. AS PER SECRETARIAL STANDARD 2, THE PROXY SHOULD CARRY A VALID PHOTO-ID CARD TO THE AGM VENUE.**

**A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS.**

## NOTICE (contd.)

***A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.#***

2. The Statement, pursuant to Section 102(1) of the Companies Act, 2013, in respect of the Special Business under Items 6 to 9 of the Notice is annexed hereto.
3. Corporate Members are requested to send to the Registered Office of the Company a duly certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013, authorising their representative to attend and vote at the Annual General Meeting.
4. **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 19th August, 2016 to those Members who hold shares in physical form and whose names appear on the Register of Members on 22nd July, 2016 or to their mandates. In respect of shares held in electronic form as on the Record Date of 15th July, 2016, 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 1150 of the Income Tax Act, 1961.
5. **BANK ACCOUNT DETAILS:** Regulation 12 and Schedule I of SEBI-LODR require all companies to use the facilities of electronic clearing services for payment of dividend. **In compliance with these regulations, payment of dividend will be made only by electronic mode directly into the bank account of Members and no dividend warrants or demand drafts will be issued without bank particulars.**  
**YOU ARE REQUESTED TO SUBMIT YOUR BANK DETAILS ALONG WITH AN ORIGINAL CANCELLED CHEQUE OR A XEROX COPY OF THE CHEQUE to our Registrars, M/s. MCS SHARE TRANSFER AGENT LIMITED to enable them to update our records, in case you hold shares in physical form and to your Depository Participants in respect of shares held by you in dematerialized form.**
6. **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](http://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.
7. **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, 12/1/5, Manoharpukur Road, Ground Floor, Kolkata 700026 immediately
8. **ISIN No:** The shares of the Company are tradable compulsorily in electronic form. The ISIN number allotted is INE979A01017. In view of the numerous advantages offered by the depository system, Members are requested to avail of the facility of dematerialization of the Company's shares.
9. Members are requested:
  - i. To bring their copies of the Annual Report, Notice and Attendance slip at the time of the Meeting.
  - ii. To quote their Folio No. / ID No. in all correspondence.
10. Members are requested to notify immediately any change of address:
  - i. To their depository participants (DPs) in respect of their electronic share accounts, and
  - ii. To the Company at its registered office in respect of their physical shares, if any, quoting their folio number, banker's name and account number to ensure prompt and safe receipt of dividend along with self attested photocopy of PAN card, Bank details duly attested by the Bank and Photocopy of cheque leaf.
11. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the Meeting.
12. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
13. The relevant documents referred to into the Notice and accompanying Statement are available for inspection by the Members of the Company at the registered office from 11.00 A.M. to 1.00 P.M. on all working days, except Saturdays, upto the date of the Annual General Meeting and during the Annual General Meeting.
14. In accordance with Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a brief profile of the Directors seeking appointment and / or re-appointment according to Items 3, 4, 6 to 8 of this Notice is provided in the Notes annexed hereto.

**NOTICE (contd.)**

15. The Register of Members and Share Transfer Books shall remain closed from 16th July, 2016 to 22nd July, 2016 (both days inclusive) and dividend as recommended by the Board of Directors, if declared at the Meeting, shall be payable to those shareholders whose names appear on the Company's Register of Members on 22nd July, 2016 or to their mandates. In respect of shares held in electronic form, dividend will be payable to those shareholders who are notified as beneficiaries by the Depositories viz. National Securities Depository Limited and Central Depository Services (India) Limited at the close of business on 15th July, 2016.
16. Members can avail the nomination facilities under Section 72 of the Companies Act, 2013 by filing necessary Form with the Registrars and Transfer Agents, MCS Share Transfer Agent Limited, 12/1/5, Manoharpukur Road, Ground Floor, Kolkata 700026 (in the case of physical shares) or to the Depository Participants (in the case of dematerialised shares). The necessary Form will be supplied on request.
17. 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-700 028.
18. The Company is committed to make efforts for preserving the environment and has been working on a number of ways to reduce usage of paper. In line with the circular of the Ministry of Corporate Affairs, Government of India, the Company proposes to send to the Members notices, annual report and accounts and other communication through electronic mode. Members are, therefore, requested to update their e-mail address with the Depository Participant, if the holding is in electronic mode or intimate to the Company's Registrars MCS Share Transfer Agent Limited by sending an e-mail mentioning the shareholder's name and Folio Number / DPID & Client ID at [mcsta@rediffmail.com](mailto:mcsta@rediffmail.com). Copies of all such communication can also be obtained in physical form free of cost, upon request.
19. In Compliance of provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force) as amended vide Companies (Management and Administration) Amendment Rules 2015 w.e.f. 19th March, 2015 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company is pleased to offer facility of voting by electronic means in respect to business to be transacted at 69th Annual General Meeting.
20. Members may also note that the Notice of the 69th Annual General Meeting and the Annual Report for 2016 will also be available on the Company's website [www.saregama.com](http://www.saregama.com). The Notice of AGM shall also be available on the website of NSDL viz. <https://evoting.nsdl.com>.
21. For persons who have acquired shares and become Members of the Company after the dispatch of Notice but before the cut-off date (as defined hereunder), the method for obtaining the login ID and password will be stated in the advertisement published pursuant to the Company (Management and Administration) Amendment Rules, 2015.
22. 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 69th 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 process and manner for e-voting are as under:
    - A. In case a Member receives an e-mail from NSDL [for Members whose e-mail IDs are registered with the Company / Depository Participant(s)] :
      - i) Open e-mail and open PDF file viz., "Saregama e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your User ID and password / PIN for e-voting. Please note that the password is an initial password.
      - ii) Launch Internet Browser by typing the following  
URL: <https://www.evoting.nsdl.com/>
      - iii) Click on Shareholder - Login
      - iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.

**NOTICE (contd.)**

- v) Password change menu appears. Change the password / PIN with new password of your choice with minimum 8 digits / characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - vi) Home page of e-voting opens. Click on e-voting Cycles.
  - vii) Select "EVEN" of Saregama India Limited.
  - viii) Now you are ready for e-voting as Cast Vote page opens.
  - ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
  - x) Upon confirmation, the message "Vote cast successfully" will be displayed.
  - xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
  - xii) 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. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to **goenkamohan@hotmail.com** with a copy marked to **evoting@nsdl.co.in**.
- B. In case a Member receives physical copy of the Notice of AGM [for Members whose e-mail IDs are not registered with the Company / Depository Participants(s) or those requested for physical copy]:
- i) Initial password is provided as below / at the bottom of the name & address sheet attached to the Attendance Slip for the AGM:  
**EVEN (E Voting Event Number) USER ID PASSWORD / PIN**
  - ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to caste vote.
- I. 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 Downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- The Compliance Officer 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. If you are already registered with NSDL for e-voting then you can use your existing User ID and Password / PIN for casting your vote.
- III. 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).
- IV. The e-voting period commences on 19th July, 2016 (9.00 A.M.) and ends on 21st July, 2016 (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 15th July, 2016, 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.
- V. 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 15th July, 2016.
- VI. Mr. Mohan Ram Goenka, Practicing Company Secretary (Membership No. F4515) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- VII. 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.
- VIII. 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.)**

**ANNEXURE TO THE NOTICE**

**Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of Items of Special Business set out in the Notice convening the Sixty-Ninth Annual General Meeting of the Company to be held on 22nd July, 2016.**

**Item No. 6**

The Board of Directors ('Board') of the Company at its meeting held on 28th September, 2015 appointed Mr. Umang Kanoria as an Additional Director with effect from that date (i.e. 28th September, 2015) pursuant to Section 161 of the Companies Act, 2013 ('the Act') read with Article 91 of the Articles of Association of the Company and to hold office upto the conclusion of the next Annual General Meeting.

The Company has received a Notice in writing from a Member along with the requisite deposits of money proposing the candidature of Mr. Umang Kanoria for the office of a Director of the Company under the provisions of Section 160 of the Act.

The Company has received from Mr. Umang Kanoria requisite consents and declaration in connection with his appointment as an Independent Director. Mr. Umang Kanoria is not disqualified from being appointed as Director in terms of Section 164 of the Act.

In the opinion of the Board, Mr. Umang Kanoria fulfils the conditions specified in the Act and the rules made there under for being appointed as an Independent Director and he is independent of the management of the Company.

The Resolution set out under Item No. 6 of the Notice convening the Meeting seek the approval of the Members for the appointment of Mr. Umang Kanoria as an Independent Director of the Company for a period of five consecutive years from 28th September, 2015 pursuant to the applicable provisions of the Act, the rules made there under and to meet the requirements under the Listing Agreement and / or Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable.

Mr. Umang Kanoria may be deemed to be concerned or interested in the Resolution relating to his appointment.

Except, Mr. Umang Kanoria, being an appointee, none of the Director and Key Managerial Personnel of the Company and their relatives are concerned or have interest, financial or otherwise, in the Resolutions set out at Item No. 6, except to the extent of shareholdings as held by them, if any, in the Company.

Your Board recommends that the Resolution set out in Item No. 6 of the Notice convening the Meeting be approved by the Members.

**Item Nos. 7 and 8**

The Board of Directors ('Board') of the Company at its meeting held on 22nd December, 2015 appointed Mr. Santanu Bhattacharya and Mr. Arindam Sarkar as Additional Directors with effect from that date (i.e. 22nd December, 2015) pursuant to Section 161 of the Companies Act, 2013 ('the Act') read with Article 91 of the Articles of Association of the Company and to hold office upto the conclusion of the next Annual General Meeting.

The Company has received Notices in writing from Members along with the requisite deposits of money proposing the candidature of Mr. Santanu Bhattacharya and Mr. Arindam Sarkar for the office of Directors of the Company under the provisions of Section 160 of the Act.

The Company has received from Mr. Santanu Bhattacharya and Mr. Arindam Sarkar requisite consents and declaration in connection with his appointment as Independent Directors. Mr. Santanu Bhattacharya and Mr. Arindam Sarkar are not disqualified from being appointed as Directors in terms of Section 164 of the Act.

In the opinion of the Board, Mr. Santanu Bhattacharya and Mr. Arindam Sarkar fulfil the conditions specified in the Act and the rules made there under for being appointed as Independent Directors and they are independent of the management of the Company.

The Resolutions set out under Item Nos. 7 and 8 of the Notice convening the Meeting seek the approval of the Members for the appointment of Mr. Santanu Bhattacharya and Mr. Arindam Sarkar as Independent Directors of the Company for a period of five consecutive years from 22nd December, 2015 pursuant to the applicable provisions of the Act, the rules made there under and to meet the requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Mr. Santanu Bhattacharya and Mr. Arindam Sarkar may be deemed to be concerned or interested in the respective Resolutions relating to their respective appointments.

Except, Mr. Santanu Bhattacharya and Mr. Arindam Sarkar, being appointees, none of the Director and Key Managerial Personnel of the Company and their relatives are concerned or have interest, financial or otherwise, in the Resolutions set out at Item Nos. 7 and 8, except to the extent of shareholdings as held by them, if any, in the Company.

Your Board recommends that the Resolutions set out in Item Nos. 7 and 8 of the Notice convening the Meeting be approved by the Members.

**NOTICE (contd.)****Item No. 9**

Mr. G. B. Aayeer, who has been functioning as the Chief Financial Officer, was appointed as the Director and as the 'Manager' of the Company with effect from 9th April, 2012 and his appointment and remuneration were approved by the shareholders at the Annual General Meeting ('AGM') held on 27th July, 2012. Subsequently, Mr. G. B. Aayeer resigned as the 'Manager' with effect from 1st January, 2013. The Board of Directors ('Board') at its meeting held on 29th May, 2015, on the recommendation of the Nomination and Remuneration Committee, approved re-designation of Mr. G. B. Aayeer as Chief Financial Officer in addition to his current designation as Whole-time Director and to act as Key Managerial Personnel (KMP) with effect from 1st April, 2015 pursuant to coming into force of Section 203 of the Companies Act, 2013 and other applicable provisions, if any, or any other law for the time being in force read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including other statutory modifications or amendment thereto or re-enactment thereof for the time being in force).

Mr. G. B. Aayeer, a Chartered Accountant has been associated with the Company since 2003. As a Chief Financial Officer of the Company he has rich experience in entertainment sector whereby with long business experience including various aspects relating to the Company's affairs and by dint of his merit has acquired the confidence of the Board.

The variation in remuneration of Mr. G. B. Aayeer, the Whole-time Director, was approved by the shareholders at the AGMs held on 26th July, 2013, 30th July, 2014 and 31st July, 2015. In terms of the approval of the shareholders at the AGM held on 31st July, 2015, Mr. G. B. Aayeer is entitled to a salary of Rs.2,89,695/- per month and Management Allowance of Rs.2,89,697/- per month respectively. The Board at its meeting held on 28th September, 2015, on the recommendation of the Nomination and Remuneration Committee, approved, subject to the approval of the Members, an increase in the remuneration paid / payable to Mr. G. B. Aayeer as Whole-time Director as detailed hereinbelow to bring it in conformity with the remuneration structure of the Company.

Accordingly, the remuneration paid / payable to Mr. G. B. Aayeer as Whole-time Director, is proposed to be varied / altered with effect from 1st July, 2014 as follows:

With effect from 1st July, 2015 -

- Basic Salary : ₹3,12,870/- per month
- Management Allowance : ₹3,12,870/- per month

The other allowances, reimbursements, benefits and perquisites paid / payable to Mr. G. B. Aayeer as approved by the shareholders at its meetings held on 27th July, 2012, 26th July, 2013, 30th July, 2014 and 31st July, 2015 shall remain unchanged except to the extent altered as above. Provided the total annual remuneration payable to Mr. G. B. Aayeer is in accordance with the conditions as contained in Section I (Part II) of Schedule V read with sub-section (2) of Section 196 and in accordance with Section 197 with other applicable provisions, if any, of the Companies Act, 2013. In case the Company has no profits or its profits are inadequate, then the remuneration shall be paid to Mr. G. B. Aayeer with prior approval of Central Government or in accordance with the provisions of the Act read with Schedule V of the Act.

In the opinion of the Board, Mr. G. B. Aayeer fulfils the conditions specified in the Act and the rules made thereunder. The Board considers that the continued association of Mr. G. B. Aayeer for smooth and efficient running of the financial and administrative affairs of the Company would be of immense benefit to the Company whereby it is desirable to continue to avail of his services as Whole-time Director.

Your Board recommends that the Resolution set out in Item No. 9 of the Notice convening the Meeting be approved by the Members.

Copy of the Supplemental Agreement executed between Mr. G. B. Aayeer and the Company is available for inspection of Members at the Registered Office of the Company between 11.00 A.M. to 1.00 P.M. on any working day of the Company and will also be available for inspection at the Meeting.

The Resolution set out under Item No. 9 of the Notice convening the Meeting seek the approval of the Members for managerial remuneration of Mr. G. B. Aayeer as Whole-time Director and Key Managerial Personnel of the Company pursuant to the applicable provisions of the Act, the rules made there under and the Listing Agreement and / or Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable.

Mr. G. B. Aayeer may be deemed to be concerned or interest in the Resolution relating to his remuneration.

Except Mr. G. B. Aayeer, none of the Director and Key Managerial Personnel of the Company and their relatives are concerned or have interest, financial or otherwise, in the Resolution set out at Item No. 9, except to the extent of shareholdings as held by them, if any, in the Company.

Registered Office:  
'The Studios @ Dum Dum'  
33, Jessore Road,  
Kolkata-700 028  
Dated: 25th May, 2016

By Order of the Board  
  
Tony Paul  
GM Legal & Company Secretary  
[Membership No. - F7908]

**NOTICE (contd.)**

**Details of Directors seeking re-appointment / appointment at the Annual General Meeting to be held on 22nd July, 2016 pursuant to Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

**1. Mr. Sanjiv Goenka**

Son of Late Dr. Rama Prasad Goenka, Mr. Sanjiv Goenka is the Chairman of Rs. 173 billion RP-Sanjiv Goenka Group, employing over 55,000 people, and has a gross asset base of Rs. 332 bn. Mr. Goenka's companies are involved in power generation, distribution, coal mining, retailing, carbon black, plantation, music, media, entertainment, infrastructure, BPO and others.

Mr. Goenka, a former President of Confederation of Indian Industries (CII), All India Management Association (AIMA) and he was a member of the Prime Minister's Council of Trade & Industry. He served as Chairman, Board of Governors, Indian Institute of Technology, Kharagpur for a number of years and he is currently a Member, Board of Governors, International Management Institute Kolkata, Delhi and Bhubaneswar. Mr. Goenka is Honorary Consul of Canada in Kolkata.

Qualification : B. Com (Hons.) from St. Xavier's College, Kolkata.

Date of Birth : 29th January, 1961.

Directorship in other companies:

Mr. Sanjiv Goenka is also a Director in the following companies:

CESC Limited - Chairman, Phillips Carbon Black Limited - Chairman, Firstsource Solutions Limited - Chairman, Spencer & Company Limited - Chairman, Spencer International Hotels Limited - Chairman, Woodlands Multispeciality Hospital Limited - Chairman and Eveready Industries India Limited Director.

Membership of Committees of the Board:

Chairman and member of Stakeholders Relationship and Audit Committees of CESC Limited respectively and member of Nomination & Remuneration Committee of Eveready Industries India Limited.

Shareholdings as stated in Regulation 36(3)(e) : Mr. Sanjiv Goenka does not hold any share in the Company.

Mr. Sanjiv Goenka is related to Mrs. Preeti Goenka and Mrs. Sushila Goenka, Directors of the Company.

**2. Mrs. Preeti Goenka**

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.

Date of Birth : 16th July, 1962

Directorship in other companies : Nil.

Membership of Committees of the Board : Nil.

Shareholdings as stated in Regulation 36(3)(e) : Mrs. Preeti Goenka does not hold any share in the Company.

Mrs. Preeti Goenka is related to Mr. Sanjiv Goenka and Mrs. Sushila Goenka, Chairman and Director of the Company respectively.

**3. Mr. Umang Kanoria**

Mr. Umang Kanoria, an Associate Member of the Institute of Cost Accountants of India (now known as ACMA) has vast experience in Tea and Textile Industry and has served as past Joint Managing Director of Bengal Tea & Fabrics Limited and past President of Indian Chamber of Commerce and former Chairman of Tea Association of India. Under his leadership the tea business of Bengal Tea & Fabrics Limited and Kanco Tea & Industries Ltd. reached new heights.

Qualification : ● B. Com (Hons.) from St. Xavier's College, Kolkata  
● ACMA (formerly AICWA)  
● MBA from International Institute for Management Development, Switzerland.

Date of Birth : 2nd November, 1959.

**NOTICE (contd.)**

Mr. Umang Kanoria is also a Director in the following companies:

Kanco Enterprises Limited - Chairman & Managing Director, Kanco Tea & Industries Limited - Chairman, Spencer & Company Limited - Director, STEL Holdings Limited - Director, Bengal Rowing Club - Director, Cosmos Resources Private Limited - Director, ET Resources Private Limited - Director, Facitcon Investments Private Limited - Director, Winnow Investments and Securities Private Limited - Director and Jemini Vincom Private Limited - Director.

Membership of Committees of the Board:

Chairman of Audit and Stakeholders Relationship Committees of STEL Holdings Limited and Kanco Tea & Industries Limited respectively, Chairman of Nomination & Remuneration Committee of STEL Holdings Limited and member of Stakeholders Relationship Committees of Kanco Enterprises Limited and STEL Holdings Limited.

Shareholdings as stated in Regulation 36(3)(e) : Mr. Umang Kanoria does not hold any share in the Company.

Mr. Umang Kanoria is not related to any Directors of the Company.

4. **Mr. Santanu Bhattacharya**

Mr. Santanu Bhattacharya started his career in Tata group and joined RPG group in 1991 in The Gramophone Company of India Ltd. Thereafter he worked as the President of RPG - RR Ltd and finally as the Executive Director of CESC Ltd for ten years. He retired from the group in 2011 and is currently serving as an Independent Director of a few companies.

Qualification : • B. Engg. (Mechanical) from Calcutta University  
• Master in Management Science.

Date of Birth : 4th November, 1946.

Directorship in other companies:

Mr. Santanu Bhattacharya is also a Director in the following companies:

Quest Properties India Limited - Director, CESC Infrastructure Limited - Director and Landis Gyr Limited - Additional Director.

Membership of Committees of the Board:

Member of Audit and Nomination & Remuneration Committees of CESC Infrastructure Limited and Quest Properties India Limited.

Shareholdings as stated in Regulation 36(3)(e) : Mr. Santanu Bhattacharya does not hold any share in the Company.

Mr. Santanu Bhattacharya is not related to any Directors of the Company.

5. **Mr. Arindam Sarkar**

Mr. Arindam Sarkar is an Associate Partner with Khaitan & Co. and is based out of the Kolkata office. Prior to joining Khaitan & Co., Mr. Sarkar has worked with reputed firms like Amarchand & Mangaldas & Suresh A. Shroff & Co. and AZB & Partners. He has over ten years of experience in the profession and his extensive work experience in venture capital, private equity, M&A, joint venture and financing transactions. He has lead and been involved in numerous transactions involving private equity investments, mergers and acquisitions, fund formation and subsequent investments and financing arrangements. Mr. Sarkar is enrolled with the Bard Council of Maharashtra and Goa.

Qualification : BA LLB (Hons.) from the West Bengal National University of Juridical Sciences, Kolkata.

Date of Birth : 26th July, 1980.

Directorship in other companies:

Mr. Arindam Sarkar is also a Director in the following companies:

Albert David Limited - Director.

Membership of Committees of the Board : Nil.

Shareholdings as stated in Regulation 36(3)(e) : Mr. Arindam Sarkar does not hold any share in the Company.

Mr. Arindam Sarkar is not related to any Directors of the Company.

## REPORT OF THE DIRECTORS' WITH MANAGEMENT DISCUSSION AND ANALYSIS

Your Directors are pleased to present the Sixty-Ninth Annual Report of Saregama India Limited along with the audited accounts for the year ended 31st March, 2016.

### Financial Results

The performance of your Company for the year ended 31st March, 2016 is summarized below:

	Year ended 31st March, 2016	Year ended 31st March, 2015
Total income	22477	18894
Profit/(Loss) from operations	1939	1797
Exceptional item	960	261
Provision for Contingencies	Nil	Nil
Profit before tax	979	1536
Provision for Taxation		
Deferred Tax Charged / (Credit)	(302)	(33)
Current tax	527	Nil
Net profit (after tax and exceptional items)	754	1569
Proposed Dividend (including tax thereon)	315	315
Transfer to general reserve	Nil	Nil
Reserves (excluding revaluation reserves)	14334	13880

Your Board is pleased to report a profit of ₹ 754.43 Lakhs for the year 2015-16.

### Dividend

Your Board is pleased to recommend a dividend of ₹1.50/- per equity share of ₹10/- each for the year ended 31st March, 2016.

### Operations

#### Music Audio Business

The Company made major foray into B2C space by launching two of its prestigious applications offering Classical Music and Devotional Music; both being paid Apps. Classical Music Application provides whole gamut of classical content divided in Carnatic, Hindustani and Fusion. Devotional mobile application aptly named 'Shakti' was launched with 2400 plus bhajans, aartis, mantras, granths and discourses from The Art of Living & Chinmaya Mission. The B2B business from Telecom, OTT Platform and Youtube continues to post smart growth. Your Company continues to partner international digital distribution company Believe Digital for digital distribution of its music catalogue in various overseas markets; focusing specially the markets with the Indian diaspora. Launch of Music albums 'Dream Girl' with Babul Supriyo and Hema Malini and 'Ishq Anokhe' by Kailash Kher band Kailasha were received well by the market. The much-awaited album - Gulzar recreating Tagore Rabindrasangeet in Hindi with Shreya Ghoshal and Shaan lending their voices to the compositions of Shantanu Moitra is ready & would be launched next year.

Substantial reduction in activities of manufacturing plant at Dum Dum - Kolkata made Company to offer VRS in March, 2016 to workmen against one time compensation offered by the Company. As mandated by the Accounting Standards, the entire expenditure of ₹ 9.65 Crs has been charged off in the Accounts for the year ending 31st March, 2016.

#### Music Publishing Business

Your Company has expanded its mandate in publishing business. Tie-ups have been made with all leading television networks and the channels like India TV, India News, Home Shop 18, TLC, etc. have also entered into contractual arrangement for usage of the Company's content. The Bollywood and regional films continues to synchronize your Company's evergreen catalogue to create new content while retaining its nostalgic value.

## REPORT OF THE DIRECTORS (contd.)

### **TV Software**

The national Television Serials like “Daffa 420” and crime series “Savdhan India” for Life OK clocked good TRPs. Your Company continues to be a leading producer of TV content in Tamil. It includes popular serials titled 'Valli', 'Chandralekha', 'Bhairavi', etc.

### **Publication Business**

Your Company publishes the weekly current affairs magazine “OPEN” through its subsidiary Open Media Networks Pvt. Ltd. Aimed at the intelligent Indian reader it caters to a niche category of advertisers and readers.

### **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 Directors and Senior Management act as trustees in the interest of all stakeholders of the Company by balancing conflicting interest, if any, between stakeholders for optimal benefits.

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 stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges for the period 1st April, 2015 to 30th November, 2015 and as per relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as referred to in Regulation 15(2) for the period 1st December, 2015 to 31st March, 2016 forms part of the Annual Report.

A certificate of chartered accountant regarding compliance of the Corporate Governance requirements as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges for the period 1st April, 2015 to 30th November, 2015 and as per relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as referred to in Regulation 15(2) for the period 1st December, 2015 to 31st March, 2016 is annexed to this Report.

### **Management Discussion and Analysis (MD & A)**

This Report includes MD & A as appropriate so that duplication and overlap between Directors' Report and a separate MD & A is avoided and the entire information is provided in a composite and comprehensive manner.

### **Industry Structure and Developments**

The music industry has progressed leaps and bounds propelled by the launching of technology driven newer services. Several new Television and FM Radio channels have been added to the existing bouquet which still continues to be the main platform for music lovers. Popularity and prominence of digital distribution of music on mobile and broadband would alter the traditional business models prevalent in music industry. The opportunities in digital space are ever increasing with reliance of the consumers more on mobile and Internet services. Music publishing business is expected to grow at a fast pace and the cost of new content, both in film and non-film space would continue to rise due to entry of newer players. The unabated piracy however is still threatening to eat away a substantial portion legitimate revenue of the industry.

### **Opportunities and Threats**

#### **Opportunities**

##### **Music Business**

New digital vectors like OTT and Pay TV would supplement existing revenue sources of CRBT, WAP, IVR, Youtube etc.

##### **Music Publishing Business**

The new copyright law has broad-based the possibility of drawing publishing revenue from newer avenues and would generate yields from the areas not monetized hitherto.

##### **TV Software**

The fiction programmes continues to rule television programming both national networks in hindi and regional networks; generating business opportunities for the content producers like us.

##### **Publication Business**

As the content focus of “Open” magazine is towards the intellectual higher income readers, there are opportunities to generate advertising income from FMCG companies and luxury brands. The addition of business vertical of live events offers additional platform for the brands to advertise their products.

**REPORT OF THE DIRECTORS (contd.)**


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**Threats**
***Music Audio Business***

Piracy continues to be biggest threat to music audio business with cost of litigation being high and governance being very weak. Due to pricing of end audio based products being sold by customers like Telecom companies being low, there remains cap on increasing pricing for licensing of audio content. Large number of OTT players still continues to offer their end products free capping possibility of overflow to content owner. Many OTT players like Biscoot, Rdio, MixRadio etc. have shut down their operations.

***Music Publishing Business***

Under the new Copyright law the confusion is continuing on a lot of commercial fronts between the stakeholders.

***TV Software***

The growing cost of production, high cost of Artists and Technicians are continuous problem faced by the software producers. This is also now resulting into production of shows shifting out of high cost locations like Mumbai.

***Publication Business***

The magazine market is overcrowded with presence of over 60 genres catered by large number of the magazines. This on one hand requires special efforts to gain market share and on the other create pricing pressure from Advertisers.

**Product Wise Performance**

Your Company's musical treasures in Old Hindi Films, Classical and Regional music content continues to be patronized across all platforms. Recent launches were Music albums 'Dream Girl' with Babul Supriyo and Hema Malini and 'Ishq Anokhe' by Kailash Kher band Kailasha. The Classical and the Devotional application - 'Shakti' has been gradually ramping up subscriber base. The digital releases of reinterpreted hits are in demand amongst the youth. TV software both in National Television and in Sun - Tamil could command better pricing on the strength of good TRPs. The magazine "Open" is in process of stabilizing its circulation and yield from advertisements.

**Outlook**
***Music Audio Business***

Thrust will be on Retail B2C business, viz. Digital product applications, Retail products like music cards and music radio. Popularity of social networking sites such as Facebook and Twitter are being used by the Company to promote its music. With introduction of 4G services by Telecom Companies, new revenue streams and content delivery platforms are coming into play. Internet based over-the-top are providing new growth opportunity for music industry.

***TV Software***

With the launch of new channels, the demand for quality content will continue to rise. As the broadcaster subscription revenue share increases, they are expected to invest more towards creation of content with high production value.

***Music Publishing Business***

The music publishing business is expected to grow steadily as the demand for use of the evergreen compositions / lyrics of old songs are increasing day-by-day.

***Publication Business***

'Open' magazine has already created its own readership base in the industry. This is expected to augment revenue generation from advertisement and consolidate the readership base. Additionally, the addition of business vertical of live event will augment its top-line.

**Risk and Concerns**

The Stakeholders in music industry are continuing to interpret differently the amendments in the Copyright Act; delaying arrival of consensus. Even three years after notification of new Act and Rules the Copyright Board is still to become operational. Piracy continues to deter growth of digital music. The alternative business models based on advertisement revenues are still to mature. In the television software business there is continuous trade off between the cost of content and its revenue potential. As for the publication business, the gestation period is long with gradual improvement in volumes and ad-revenue rates built up.

**Internal Control System and Adequacy**

The Internal Audit department of your Company conducts both financial and system audit for all key operations. Such reports are placed before the Audit Committee of Directors and recommendations, if any, are implemented. Your Company has also well documented standard operating procedures for all operational and functional areas. Further, the Board periodically reviews the policies and procedures for risk identification and mitigation.

## REPORT OF THE DIRECTORS (contd.)

### Financial Performance with respect to Operational Performance

Strict budgetary control is maintained on all operational performance indicators and review on working capital and cash flow is carried on for improving the operational efficiency.

### Human Resources

Your Company's human resource management systems and processes aim to create a responsive, market-focused, customer-centric culture and enhance organizational vitality, so that each business is internationally competitive and equipped to seize emerging market opportunities.

As on the date of this Report, your Company has 209 employees.

### Information Technology

Your Company is in the process of consolidating the benefits of implementation of ERP from SAP equipped module handling Intellectual Property Rights Management. This initiative would not only efficiently utilize the Company's vast content but also build capabilities for the future and help to keep its operations contemporary.

### Forward-looking Statements

This Report contains forward-looking statements that involve risks and uncertainties. When used in this Report, the words "anticipate", "believe", "estimate", "expect", "intend", "will" and other similar expressions as they relate to the Company and / or its businesses are intended to identify such forward-looking statements. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. Actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of their dates. This Report should be read in conjunction with the financial statements included herein and the notes thereto.

### Directors' Responsibility Statement

Your Directors states that:

- In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanations relating to material departures;
- The Directors have 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 at the end of the financial year and of the profit or loss of the Company for that period;
- The Directors have taken proper and sufficient care of 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;
- That your Directors have prepared the Annual Accounts on a going concern basis;
- The Directors have laid down internal financial controls to be followed by the Company and that such internal controls are adequate and are operating effectively; and
- The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### Contracts and Arrangements with Related Parties

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. The disclosures are set out in Note 39 to the financial statement.

### Corporate Social Responsibility (CSR)

The Corporate Social Responsibility Committee has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board. Your Company is committed to identifying and supporting programmes 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;

**REPORT OF THE DIRECTORS (contd.)**

- Supporting environmental and ecological balance through energy conservation, adoption of initiatives resulting into Greenhouse Gas Emissions reduction and transformation into a low carbon business practices;
- 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; and
- Undertaking / supporting sports activities and programmes of art & culture in various forms.

**Vigil Mechanism**

The Vigil Mechanism of your Company, which also incorporates a whistle blower policy in terms of the Listing Agreement/Regulations. Protected disclosures can be made by a whistle blower through e-mail, or a letter to the Chairman of the Audit Committee.

**Remuneration Policy for Directors and Senior Executives**

Your Company's Nomination and Remuneration Committee shall -

Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance;

Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees; and

Ensure that -

1. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
2. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
3. remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

The Board of Directors thereafter, shall review and approve the recommendation of the Nomination and Remuneration Committee for remuneration payable to the directors and senior executives, in accordance with the statutory provisions and rules of the Company.

**Employee Benefit 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 (including directors whether whole time directors or not) 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.

**Rights Issue**

Your Company offered 5,338,628 Equity shares of face value of ₹10/- each for cash at a premium of ₹35/- per share on Rights basis to the existing Members of the Company in the ratio of 4 Equity shares for every 7 Equity shares held on the Record Date (14th March, 2005) aggregating ₹ 2,402 lakhs. Out of the total issue, 5,332,025 and 1,113 and 200 Equity shares were allotted in the year 2005-06, 2006-07 and 2009-10 respectively and the balance 5,290 Equity shares were kept in abeyance due to pending litigation and identification of beneficiaries of the clearing members by NSDL and CDSL.

**Fixed Deposits**

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Rules made thereunder.

**Particulars of Employees**

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(1) to 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and other particulars of the employees drawing remuneration in excess of the limits set out in the Rules are provided in the Annual Report. However, as per first proviso to Section 136(1) of the said Act the Annual Report excluding the aforesaid information is being sent to all the Members of the Company and others entitled thereto. Any Member interested in obtaining such particulars may write to the Company Secretary at the registered office of the Company. None of the employees as set out in the said Annexure is related to any Director of the Company.

## REPORT OF THE DIRECTORS (contd.)

### Directors and Key Managerial Personnel

In terms of Article 102 of the Articles of Association and pursuant to the relevant provisions of the Companies Act, 2013 Mr. S. Goenka and Mrs. Preeti Goenka retires by rotation and, being eligible, offers themselves for re-appointment at the ensuing Annual General Meeting. The particulars regarding the Directors proposed to be re-appointed at the ensuing Annual General Meeting, as required under Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been given in the Notes annexed to the Notice convening the meeting. Mr. S. Banerjee resigned as a Director of the Company with effect from 7th September, 2015. The Board places on record its deep appreciation for the services rendered by Mr. S. Banerjee during his tenure as Director of the Company. Further Mr. Umang Kanoria was appointed by the Board in its meetings held on 28th September, 2015 and M/s. Santanu Bhattacharya & Arindam Sarkar both on 22nd December, 2015 as Non-executive Directors of the Company.

Your Company has devised programmes for familiarisation of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters. Also a Policy of performance evaluation was followed for Independent Directors, Board, Committees and other individual Directors which includes criteria for performance evaluation of the non-executive and executive directors.

### Auditors

M/s Price Waterhouse, the Statutory Auditors of the Company, retire at the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment.

M/s. Shome & Banerjee, Cost Accountants, has been appointed by the Board for conducting the audit of cost records of your Company for the financial year ended 31st March, 2016.

M/s MR & Associates, Practicing Company Secretaries, has been appointed by the Board to conduct Secretarial Audit for the financial year ended 31st March, 2016.

### Subsidiary Companies

In accordance with the Companies Act, 2013 the audited accounts and other particulars of Saregama Plc., RPG Global Music Limited, Kolkata Metro Networks Limited and Open Media Network Private Limited shall be available for inspection at the registered office of the Company.

### Consolidated Financial Statements

The Consolidated Financial Statements as stipulated by Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges have been prepared by the Company in accordance with the requirements of Accounting Standard 21 "Consolidated Financial Statements" issued by The Institute of Chartered Accountants of India. The audited Consolidated Financial Statements together with Auditors' Report thereon form part of the Annual Report.

### Conservation of Energy and Technology Absorption

#### A. Conservation of energy :

##### (a) Energy conservation measures taken :

During the year external experts conducted an energy audit and the recommendations have been implemented.

##### (b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy :

No additional investments for reduction in energy consumption have been made or are proposed to be made presently.

##### (c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods :

The Company has achieved marginal savings during 2015-2016 due to the measures at (a) above.

**REPORT OF THE DIRECTORS (contd.)**

**B. Technology absorption :**

**(d) Efforts made in technology absorption as per Form B under :**

**FORM B  
(See Rule 2)**

**Form for disclosure of particulars with respect to absorption.**

**Research and Development (R & D)**

<b>1. Specific areas in which R &amp; D carried out by the Company</b>	No Research & Development activities have been carried out by the Company during the year.
<b>2. Benefits derived as a result of the above R &amp; D</b>	—
<b>3. Future plan of action</b>	—
<b>4. Expenditure on R &amp; D :</b>	Nil
<b>(a) Capital</b>	—
<b>(b) Recurring</b>	—
<b>(c) Total</b>	—
<b>(d) Total R &amp; D expenditure as a percentage of total turnover</b>	—

**Technology absorption, adaptation and innovation:**

<b>1. Efforts, in brief, made towards technology absorption, adaptation and innovation.</b>	The technology for manufacturing audio cassettes was imported nearly 10 years earlier and has been absorbed fully. The product line of audio cassettes however has become outdated with advent of new formats of consumption.
<b>2. Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc.</b>	None.
<b>3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished :</b>	Not Applicable.
<b>(a) Technology imported.</b>	—
<b>(b) Year of import.</b>	—
<b>(c) Has technology been fully absorbed?</b>	—
<b>(d) If not fully absorbed, areas where this has not taken place, reason therefore and future plans of action.</b>	—

**Foreign Exchange earnings and outgo**

- a) The International business of the Company is handled by its foreign subsidiaries viz. Saregama Plc. and RPG Global Music Limited. Although, in line with the laid down policy of the Company, the foreign operations are directly handled by such subsidiaries, the Company actively assists and guides these companies in its marketing efforts, content creation, appointment of foreign sub-publishers etc. which leads to foreign exchange earnings for the Company.
- b) Total foreign exchange used and earned:

	<b>Current Year</b>	<b>Previous Year</b>
Foreign Exchange used	<b>232.04</b>	15.94
Foreign Exchange earned	<b>4687.07</b>	3019.43

**Acknowledgement**

Your Directors express their sincere thanks to all stakeholders including the employees, artistes, composers, musicians, film producers and shareholders for their continued support and cooperation.

By Order of the Board

**G. B. Aayeer**  
Director

DIN - 00087760

Kolkata,  
25th May, 2016

**REPORT OF THE DIRECTORS (contd.)**

Statement as at 31st March, 2016, pursuant to Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, in respect of Options granted under the Company's Employee Stock Option Schemes :

Sl.No.		Saregama Employee Stock Option Scheme 2013 (Scheme)			
		Mr. G. B. Aayeer	Mr. Avinash Mudaliar	Mr. Troy Lobo	Cumulative
(A)	Number of Options Outstanding at the beginning of the period	10,000	10,000	-	20,000
(B)	Number of Options granted during the year	-	-	10,000	10,000
(C)	Number of Options forfeited /Lapsed during the Year	-	-	-	-
(D)	Number of Options vested during the Year	4,000	4,000	-	8,000
(E)	Number of Options exercised during the Year	-	-	-	-
(F)	Number of shares arising as a result of exercise of options	Not applicable	Not applicable	Not applicable	Not applicable
(G)	Number of Options outstanding at the end of the Year	10,000	10,000	10,000	30,000
(H)	Number of Options exercisable at the end of the year	4,000	4,000	-	8,000
(I)	Weighted Average Exercise Price (₹)	69.85	53.95	195.40	
(J)	Weighted Average Fair Value (₹)	49.48	51.06	136.20	
(K)	A description of the method and significant assumptions used during the year to estimate the fair values of Options. The fair value of each Option is estimated using the Black Scholes Option Pricing model after applying the following key assumptions on a weighted average basis:				
	(i) Risk free interest rate	7.50%	7.50%	7.50%	
	(ii) Expected Life	10 Years	10 Years	10 Years	
	(iii) Expected Volatility	55.30%	55.30%	55%	
	(iv) Expected Dividends	7%	7%	10%	
	(v) Price of the underlying Shares in the Market at the time of the Option grant.	₹ 118	₹ 118	₹ 195.40	

**Employee-wise details of Options granted under Employee Stock Option Scheme****i) Senior Mangement personnel**

Name	Designation	Options Granted during 2013-14	Options Granted during 2015-16	Total
Mr. G. B. Aayeer	Chief Financial Officer and Director	10,000	-	10,000
Mr. Avinash Mudaliar	Head Internet Products & Services	10,000	-	10,000
Mr. Troy Lobo	VP- Sales & Marketing	-	10,000	10,000

**ii) Employees granted 5% or more of the Options in any one year:**

Name	Designation	Options Granted during 2013-14	Options Granted during 2015-16	Total
Mr. G. B. Aayeer	Chief Financial Officer and Director	10,000	-	10,000
Mr. Avinash Mudaliar	Head Internet Products & Services	10,000	-	10,000
Mr. Troy Lobo	VP- Sales & Marketing	-	10,000	10,000

**REPORT OF THE DIRECTORS (contd.)**

**iii) Employees granted Options equal to or exceeding 1% of the issued capital during any one year: None**

The Company has adopted intrinsic value method as permitted by the SEBI Guidelines and the Guidance Note on Accounting for Employee Share Based Payment issued by the Institute of Chartered Accountants of India in respect of stock options granted. The value of the underlying Shares has been determined by an independent valuer.

The Company's net profit and earnings per share would have been as under, had the compensation cost for employees' stock options been recognised based on the fair value at the date of grant in accordance with Black Scholes model.

(All amounts in ₹ Lacs, unless otherwise stated)

	<b>31st March, 2016</b>	31st March, 2015
Profit after taxation	<b>754.43</b>	1,568.51
Less: Additional Employee compensation on cost based on Fair Value	<b>3.97</b>	1.94
Profit after taxation as per Fair Value Method	<b>750.46</b>	1,566.57
Earnings per Share (EPS)		
Basic		
Number of Shares	<b>17,402,938</b>	17,402,938
Basic EPS as reported (₹)	<b>4.34</b>	9.01
Proforma Basic EPS (₹)	<b>4.31</b>	9.00
Diluted		
Number of Shares	<b>17,421,986</b>	17,414,830
Diluted EPS as reported (₹)	<b>4.33</b>	9.01
Proforma Diluted EPS (₹)	<b>4.31</b>	9.00
Effect of Share-based payment plan on the Balance Sheet and Statement of Profit and Loss		
Expense arising from employee share-based payment plan	<b>NIL</b>	NIL
Deferred Stock Compensation	<b>NIL</b>	NIL

By Order of the Board

**G. B. Aayeer**  
Director

DIN - 00087760

Kolkata,  
25th May, 2016

## REPORT OF THE DIRECTORS (contd.)

**EXTRACT OF ANNUAL RETURN**

as on the financial period ended 31.03.2016

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

FORM NO. MGT - 9

**I. Registration and other details**

CIN	L22213WB1946PLC014346
Registration Date	13.8.1946
Name of the Company	Saregama India Limited
Category / Sub-Category of the Company	Public Company / Limited by shares
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
Whether listed company	Yes
Name, address and contact details of Registrar and Transfer Agent, if any	MCS Share Transfer Agent Limited 12/1/5, Manoharpukur Road, Ground Floor, Kolkata-700 026; 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:

Sl. No.	Name and Description of main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company
1.	Income from Television Serials (including Free Commercial Time)	591	39.44%
2.	Licence Fees	592	59.04%

**III. Particulars of Holding, Subsidiary and Associate Companies**

Sl.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1.	Rainbow Investments Limited Duncan House 31, Netaji Subhas Road Kolkata - 700001	U65993WB1988PLC171011	Holding	59.14	2(46)
2.	Saregama Plc Unit 14 Europa Studios Victoria Road London NW10 6ND, UK	N. A.	Subsidiary	76.41	2(87)
3.	RPG Global Music Limited 4th Floor, Barkly Wharf East LeCaudan Water Front Port-Louis Mauritius	N. A.	Subsidiary	100.00	2(87)
4.	Kolkata Metro Networks Limited 33, Jessore Road Dum Dum, Kolkata - 700028	U23209WB1989PLC047337	Subsidiary	100.00	2(87)
5.	Open Media Network Private Limited 33, Jessore Road Dum Dum, Kolkata - 700028	U22100WB2008PTC124295	Subsidiary	100.00	2(87)

REPORT OF THE DIRECTORS (contd.)

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

i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual / HUF	0	0	0	0	0	0	0	0	0
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt.(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corporate	10291859	0	10291859	59.14	10291859	0	10291859	59.14	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other....	0	0	0	0	0	0	0	0	0
<b>Sub-Total (A)(1):</b>	<b>10291859</b>	<b>0</b>	<b>10291859</b>	<b>59.14</b>	<b>10291859</b>	<b>0</b>	<b>10291859</b>	<b>59.14</b>	<b>0</b>
<b>(2) Foreign</b>									0
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other - Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corporate	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other....	0	0	0	0	0	0	0	0	0
<b>Sub-Total (A)(2):</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Shareholding of Promoters (A) = (A)(1)+(A)(2)</b>	<b>10291859</b>	<b>0</b>	<b>10291859</b>	<b>59.14</b>	<b>10291859</b>	<b>0</b>	<b>10291859</b>	<b>59.14</b>	<b>0</b>
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds / UTI	35011	464	35475	0.20	0	464	464	0.00	-0.20
b) Banks / FI	4	2148	2152	0.02	4103	1138	5241	0.03	+0.01
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt.(s)	0	26	26	0.00	0	26	26	0.00	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	1798	1798	0.01	0	1798	1798	0.01	0
g) FIIs	113151	0	113151	0.65	0	0	0	0	-0.65
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-Total (B)(1):</b>	<b>148166</b>	<b>4436</b>	<b>152602</b>	<b>0.88</b>	<b>4103</b>	<b>3426</b>	<b>7529</b>	<b>0.04</b>	<b>-0.84</b>

## REPORT OF THE DIRECTORS (contd.)

## IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) (Contd.)

## i) Category-wise Shareholding (Contd.)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(2) Non-Institutions</b>									
<b>a) Bodies Corporate</b>									
i) Indian	4202632	4475	4207107	24.17	3909895	4455	3914350	22.49	-1.68
ii) Overseas	0	0	0	0	0	0	0	0	0
<b>b) Individuals</b>									
i) Individual Shareholders holding nominal share capital upto ₹ 1 lakh	1405850	160724	1566574	9.00	1818065	156978	1975043	11.35	+2.35
ii) Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	1073280	0	1073280	6.17	1085870	0	1085870	6.24	+0.07
<b>c) Others (specify)</b>									
i) NRIs	106467	5049	111516	0.64	122880	4996	127876	0.74	+0.10
ii) Trust	0	0	0	0	411	0	411	0.00	0
Directors and relatives	0	0	0	0	0	0	0	0	0
<b>Sub-Total (B)(2):</b>	<b>6788229</b>	<b>170248</b>	<b>6958477</b>	<b>39.98</b>	<b>6937121</b>	<b>166429</b>	<b>7103550</b>	<b>40.82</b>	<b>+0.84</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>6936395</b>	<b>174684</b>	<b>7111079</b>	<b>40.86</b>	<b>6941224</b>	<b>169855</b>	<b>7111079</b>	<b>40.86</b>	<b>0</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>17228254</b>	<b>174684</b>	<b>17402938</b>	<b>100.00</b>	<b>17233083</b>	<b>169855</b>	<b>17402938</b>	<b>100.00</b>	<b>0</b>

## ii) Shareholding of Promoters

Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% 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	
Rainbow Investments Limited	10291599	59.14	0	10291599	59.14	0	0
STEL Holdings Ltd.	160	0.00	0	160	0.00	0	0
Zensar Technologies Ltd.	100	0.00	0	100	0.00	0	0
<b>Total</b>	<b>10291859</b>	<b>59.14</b>	<b>0</b>	<b>10291859</b>	<b>59.14</b>	<b>0</b>	<b>0</b>

REPORT OF THE DIRECTORS (contd.)

iii) Change in Promoters' Shareholding (Please specify, if there is no change) : No change in Promoter's shareholding

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year	10291859	59.14	10291859	59.14
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease allotment / transfer / bonus / sweat equity etc):	N.A.			
At the end of the year	10291859	59.14	10291859	59.14

iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.		Shareholding at the beginning / end of the year		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01/04/2015-31/03/2016)	
		No. of Shares at the beginning of the year (01/04/2015) / end of the year (31/03/2016)	% of shares of the Company				No. of Shares	% of total shares of the Company
1.	Rel Utility Engineers Limited	1319000	7.58	1.4.2015	0	-	1319000	7.58
				10.4.2015	(613250)	Transfer	705750	4.06
				17.7.2015	(707750)	Transfer	0	0
		0	0.00	31.3.2016	0	-	0	0
2.	Reliance Capital Limited	0	0	1.4.2015	0	-	0	0
				31.12.2015	1183123	Acquired	1183123	6.80
				8.1.2016	4877	Acquired	1188000	6.83
		1188000	6.83	31.3.2016	0	-	1188000	6.83
3.	Aadi Financial Advisors LLP	864006	4.96	1.4.2015	0	-	864006	4.96
				10.7.2015	(67735)	Transfer	796271	4.58
				31.3.2016	(191424)	Transfer	604847	3.48
		604847	3.48	31.3.2016	0	-	604847	3.48
4.	BNK Capital Markets Limited	761720	4.38	1.4.2015	0	-	761720	4.38
				30.6.2015	8000	Acquired	769720	4.42
				24.7.2015	5000	Acquired	774720	4.45
				31.7.2015	4000	Acquired	778720	4.47
				18.3.2016	32000	Acquired	810720	4.66
		810720	4.66	31.3.2016	0	-	810720	4.66
5.	Jayshree Nirman Limited	516981	2.97	1.4.2015	0	Nil movement during the year	516981	2.97
		516981	2.97	31.3.2016	0		516981	2.97
6.	Bhimavarapu Sridhar Reddy	280038	1.61	1.4.2015	0	-	280038	1.61
				10.4.2015	77	Acquired	280115	1.61
				29.5.2015	327	Acquired	280442	1.61
				5.6.2015	(10356)	Transfer	270086	1.55
				12.6.2015	2400	Acquired	272486	1.57
				19.6.2015	5791	Acquired	278277	1.60
				3.7.2015	(1278)	Transfer	276999	1.59
				10.7.2015	(11476)	Transfer	265523	1.53
				17.7.2015	(6100)	Transfer	259423	1.49
				24.7.2015	(11110)	Transfer	248313	1.43
				31.7.2015	(9000)	Transfer	239313	1.38
				14.8.2015	(57740)	Transfer	181573	1.04
				21.8.2015	(1235)	Transfer	180338	1.04
				28.8.2015	425	Acquired	180763	1.04
				9.10.2015	2645	Acquired	183408	1.05
		183408	1.05	31.3.2016	0	-	183408	1.05

REPORT OF THE DIRECTORS (contd.)

iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs) (Contd.)

Sl. No.		Shareholding at the beginning / end of the year		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01/04/2015-31/03/2016)	
		No. of Shares at the beginning of the year (01/04/2015) / end of the year (31/03/2016)	% of shares of the Company				No. of Shares	% of total shares of the Company
7.	Vallabh Roopchand Bhanshali	111000	0.64	1.4.2015	0	-	111000	0.64
				10.7.2015	(20000)	Transfer	91000	0.52
				31.3.2016	160000	Acquired	251000	1.44
		251000	1.44	31.3.2016	0	-	251000	1.44
8.	Asian Securities Exchange Pvt. Ltd.	108420	0.62	1.4.2015	0	Nil movement during the year	108420	0.62
		108420	0.62	31.3.2016	0		108420	0.62
9.	Tarra Fund	95713	0.55	1.4.2015	0	-	95713	0.55
				29.5.2015	(620)	Transfer	95093	0.55
				30.9.2015	(839)	Transfer	94254	0.54
				9.10.2015	(8000)	Transfer	86254	0.50
				16.10.2015	(20000)	Transfer	66254	0.38
				20.11.2015	(41963)	Transfer	24291	0.14
				27.11.2015	(21823)	Transfer	2468	0.01
				4.12.2015	(2468)	Transfer	0	0
		0	0.00	31.3.2016	0	-	0	0
		90671	0.52	1.4.2015	0	-	90671	0.52
10.	BNK Securities Pvt. Ltd.			19.6.2015	8000	Acquired	98671	0.57
				3.7.2015	2000	Acquired	100671	0.58
				10.7.2015	(10000)	Transfer	90671	0.52
				18.3.2016	(32000)	Transfer	58671	0.34
		58671	0.34	31.3.2016	0	-	58671	0.34
11.	Suresh Kumar Agrawal	63684	0.37	1.4.2015	0	-	63684	0.37
				10.4.2015	(500)	Transfer	63184	0.36
				17.4.2015	(500)	Transfer	62684	0.36
				24.4.2015	(500)	Transfer	62184	0.36
				8.5.2015	(5557)	Transfer	56627	0.33
				15.5.2015	(250)	Transfer	56377	0.32
				29.5.2015	(500)	Transfer	55877	0.32
				29.5.2015	4807	Acquired	60684	0.35
				5.6.2015	(750)	Transfer	59934	0.34
				19.6.2015	(500)	Transfer	59434	0.34
				26.6.2015	(500)	Transfer	58934	0.34
				3.7.2015	(1000)	Transfer	57934	0.33
				10.7.2015	(3500)	Transfer	54434	0.31
				17.7.2015	(1000)	Transfer	53434	0.31
				24.7.2015	(2250)	Transfer	51184	0.29
				30.7.2015	(500)	Transfer	50684	0.29
				7.8.2015	(2000)	Transfer	48684	0.28
				14.8.2015	(250)	Transfer	48434	0.28
				21.8.2015	(300)	Transfer	48134	0.28
				28.8.2015	(950)	Transfer	47184	0.27
				4.9.2015	(1000)	Transfer	46184	0.27
				11.9.2015	(584)	Transfer	45600	0.26
				16.10.2015	(2000)	Transfer	43600	0.25
				16.11.2015	(2000)	Transfer	41600	0.24
				27.11.2015	(1000)	Transfer	40600	0.23
				4.12.2015	(1500)	Transfer	39100	0.22
				11.12.2015	(1000)	Transfer	38100	0.22
				18.12.2015	(4000)	Transfer	34100	0.20
		34100	0.20	31.3.2016	0	-	34100	0.20

REPORT OF THE DIRECTORS (contd.)

iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs) (Contd.)

Sl. No.		Shareholding at the beginning / end of the year		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01/04/2015-31/03/2016)	
		No. of Shares at the beginning of the year (01/04/2015) / end of the year (31/03/2016)	% of shares of the Company				No. of Shares	% of total shares of the Company
12.	Chinmay G. Parikh	34149	0.20	1.4.2015	0	-	34149	0.20
				10.4.2015	178	Acquired	34327	0.20
				17.4.2015	4286	Acquired	38613	0.22
				24.4.2015	15806	Acquired	54419	0.31
				1.5.2015	8429	Acquired	62848	0.36
				8.5.2015	8572	Acquired	71420	0.41
				15.5.2015	12321	Acquired	83741	0.48
				22.5.2015	18117	Acquired	101858	0.59
				31.7.2015	(4000)	Transfer	97858	0.56
				14.8.2015	(1000)	Transfer	96858	0.56
				21.8.2015	(2000)	Transfer	94858	0.55
		94858	0.55	31.3.2016	0	-	94858	0.55
13.	Mishrilal H. Bang	0	0	1.4.2015	0	-	0	0
				25.12.2015	70000	Acquired	70000	0.40
				26.2.2016	15000	Acquired	85000	0.49
		85000	0.49	31.3.2016	0	-	85000	0.49
14.	Alok Lodha	43857	0.25	1.4.2015	0	-	43857	0.25
				5.6.2015	1700	Acquired	45557	0.26
				19.6.2015	2025	Acquired	47582	0.27
				3.7.2015	1898	Acquired	49480	0.28
				7.8.2015	15276	Acquired	65206	0.37
				14.8.2015	(1000)	Transfer	64206	0.37
				28.8.2015	1000	Acquired	65206	0.37
				4.9.2015	500	Acquired	65706	0.38
		65706	0.38	31.3.2016	0	-	65706	0.38

**REPORT OF THE DIRECTORS (contd.)****v) Shareholding of Directors and Key Managerial Personnel : None**

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year	0	0	0	0
Date wise increase(+)/decrease(-) in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):.	N.A.			
At the end of the year	0	0	0	0

**V. INDEBTEDNESS****Indebtedness of the Company including interest outstanding/accrued but not due for payment** (₹ in lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	362.46	67.50		429.96
ii) Interest due but not paid		1.09		1.09
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>362.46</b>	<b>68.59</b>		<b>431.05</b>
<b>Change in Indebtedness during the financial year</b>				
Addition		-		-
Reduction	362.46	67.50		429.96
<b>Net Change</b>		<b>1.09</b>		<b>1.09</b>
Indebtedness at the end of the financial year				
i) Principal Amount	Nil	Nil		Nil
ii) Interest due but not paid		Nil		Nil
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>Nil</b>	<b>Nil</b>		<b>Nil</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sr. No.	Particulars of Remuneration	Vikram Mehra, Managing Director	G.B. Aayeer (WTD & CFO)	Total Amount
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	337.92	118.77	456.69
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	2.16	0.64	2.80
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961			
2	Stock Options			
3	Sweat Equity			
4	Commission			
	- as % of profit			
	- others, specify			
5	Others (please specify) : Stock Appreciation Rights, Retirals etc.	149.84	13.66	163.50
	<b>Total (A)</b>	<b>489.92*</b>	<b>133.07</b>	<b>622.99</b>
	Ceiling as per the Act	185.63	185.63	371.26

\*Managerial remuneration paid / provided aggregating ₹ 304.29 lacs for the year ended March 31, 2016 in excess of the limits specified in Section 197 read with Schedule V of the Act. The Management has made necessary application to the Central Government seeking its approval and response to which is awaited.

**REPORT OF THE DIRECTORS (contd.)**

**B. Remuneration to other Directors:**

**1. Independent Directors**

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of Directors						Total
		Mr. B. Raychaudhuri	Mr. P. K. Mohapatra	Mr. U. Kanoria (Appointed w.e.f. 28.9.2015)	Mr. S. Bhattacharya (Appointed w.e.f. 22.12.2015)	Mr. A. Sarkar (Appointed w.e.f. 22.12.2015)	Mr. S. Banerjee (Resigned w.e.f. 7.9.2015)	
1	- Fee for attending Board/Committee Meetings	145000	165000	85000	25000	25000	15000	460000
2	- Commission	0	0	0	0	0	0	0
3	- Others, please specify	0	0	0	0	0	0	0
	<b>Total (B)(1)</b>	145000	165000	85000	25000	25000	15000	460000

**2. Other Non Executive Directors**

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of the Directors			Total Amount
		Mr. Sanjiv Goenka	Mrs. Preeti Goenka	Mrs. Sushila Goenka	
1	Fee for attending Board/Committee Meetings	60000	20000	20000	100000
2	- Commission	0	0	0	0
3	- Others, please specify	0	0	0	0
	<b>Total (B)(2)</b>	60000	20000	20000	100000
	<b>Total Managerial Remuneration (B)(1) + (B)(2)</b>				560000
Overall Ceiling as per the Act : The remuneration is well within the limit prescribed under the Companies Act, 2013					

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

Sr. No.	Particulars of Remuneration	Tony Paul Company Secretary	Total Amount
1	Gross Salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	27.69	27.69
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	0.35	0.35
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961		
2	Stock Options		
3	Sweat Equity		
4	Commission - as % of profit - others, specify....		
5	Others (please specify) : Retirals etc.	5.30	5.30
	<b>Total (A)</b>	<b>33.34</b>	<b>33.34</b>

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES : None**

Kolkata,  
25th May, 2016

By Order of the Board

**G. B. Aayeer**  
Director

DIN - 00087760

## REPORT OF THE DIRECTORS (contd.)

**Report on Corporate Social Responsibility (CSR) activities during the Financial Year 2015-2016**

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 <http://www.saregama.com/static/investors>

The details of the projects undertaken during the year are stated in Management Discussion and Analysis which forms a part of the Directors' Report.

2. Composition of the CSR Committee:

The CSR Committee consists of Mr. P. K. Mohapatra, Mr. U. Kanoria both Independent Directors and Mr. G. B. Aayeer, Whole-time Director as its members.

3. Average net profit for the last three financial years:

₹ 2693.83 lacs

4. Prescribed details of CSR Expenditure:

CSR Expenditure is ₹ 54 lakhs for the financial year 2015-16.

5. In case the Company has failed to spend the two per cent, of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report:

Not applicable

6. Responsibility Statement:

It is stated that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

Kolkata,  
25th May, 2016

**G. B. Aayeer**  
Director  
DIN - 00087760

**REPORT OF THE DIRECTORS (contd.)**

**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 2015-16 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2015-16 are as under :

Sl. No.	Name of Director / KMP and Designation	Remuneration of Director / KMP for financial year 2015-16 (₹ in lacs)	% increase in Remuneration in the Financial Year 2015-16	Ratio of remuneration of each Director / to median remuneration of employees
1.	Mr. Vikram Mehra, Managing Director (appointed w.e.f. 27.10.2014)	489.92	N. A	102.37 : 1
2.	Mr. G. B. Aayeer, Whole-Time Director & CFO	133.07	Nil	27.81 : 1
3.	Mr. Tony Paul, Company Secretary & GM - Legal	33.34	1.24%	N.A

**Note:** No other Director other than the Managing Director and Whole Time Director received any remuneration other than sitting fees during the financial year 2015-16.

- ii) In the financial year, there was an increase of 30.05% in the median remuneration of employees.
- iii) There were 212 permanent employees on the rolls of Company as on March 31, 2016.
- iv) The average increase in the remuneration of management employees in the last financial year was 32.80%.
- v) The remuneration of the Key Managerial Personnel put together is ₹ 656.33 lacs which increased by 94.21% from ₹ 337.94 lacs as against a decrease of 36.23% in profit before tax in the Financial year 2015-2016.
- vi) Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year 2015-16 was 34.11% whereas the increase in the managerial remuneration for the same financial year was 104.25%.
- vii) The market capitalization of the Company as on 31st March, 2016 increased by 120.51%, when compared to that of 31st March, 2015. The Company has not made any public offer in the recent past and accordingly comparison of public offer price and the current market price of the Company's shares will not be relevant.
- viii) The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy for Directors and Senior Management Personnel.
- ix) The Managing Director is the highest paid Director. No employee received remuneration higher than the Managing Director.
- x) It is hereby affirmed that the remuneration paid during the Financial Year ended 31st March, 2016 is as per the Remuneration Policy of the Company.

For and on behalf of the Board

Kolkata  
25th May, 2016

**G. B. Aayeer**  
Director  
(DIN: 00087760)

## REPORT OF THE DIRECTORS (contd.)

**Form No. MR - 3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016**

*[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

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.

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, 2016 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:

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, 2016 according to the provisions of:

- i The Companies Act, 2013 (the Act) 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 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;
- v 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, 1992 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not Applicable to the Company during the Audit Period);
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as applicable;
  - (e) 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;
  - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable to the Company during the Audit Period);
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not Applicable to the Company during the Audit Period);
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not Applicable to the Company during the Audit Period);
  - (i) 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.

## REPORT OF THE DIRECTORS (contd.)

We further report that having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, the Company has complied with the following laws applicable specifically to the Company.

- (a) The Indian Copyright Act, 1957
- (b) The Trademark Act, 1999

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

- (i) Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India, effective from 1st July, 2015.
- (ii) The Listing Agreements entered into by the Company with **National Stock Exchange of India Ltd., BSE Limited and Calcutta Stock Exchange.**

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

- a The gap between two board meetings day i.e for 29th May, 2015 and 28th September, 2015 exceeded 120 days.
- b The MCA Portal is yet to remove the cases u/s 224(8) and 292 of the Companies Act 1956 quashed / dismissed by the Hon'ble Courts.

### 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, there are no specific events, actions having a major bearing on the Company's affairs in pursuance of the laws, rules, regulations, guidelines, standards, etc, referred to above.

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 M R & Associates**  
Company Secretaries

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

Place: Kolkata  
Date: 25.05.2016

## REPORT OF THE DIRECTORS (contd.)

“ANNEXURE A”  
(TO THE SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016)

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: 25.05.2016

## REPORT ON CORPORATE GOVERNANCE

### 1. Company's philosophy on Corporate Governance

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

### 2. Board of Directors

#### A. Composition of the Board of Directors as on 31st March, 2016

The Board of Directors of the Company comprised

- 8 Non-Executive Directors (including 5 independent Directors)
- 2 Executive Directors

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, 2016 are given below :

Sl. No.	Name of the Directors	Category of Director	No. of Directorships in other Public Limited companies incorporated in India <sup>1</sup>	No. of other Committee Membership(s)/ Chairmanship(s) held <sup>2</sup>		No. of Equity Shares held
				As Chairperson	As Member	
1.	Mr. S. Goenka	Non-Executive (Chairman)	7	1	1	—
2.	Mrs. P. Goenka	Non-Executive	—	—	—	—
3.	Mrs. S. Goenka	Non-Executive	—	—	—	—
4.	Mr. P. K. Mohapatra	Non-Executive Independent	8	—	6	—
5.	Mr. B. Raychaudhuri	Non-Executive Independent	6	—	—	—
6.	Mr. U. Kanoria <sup>3</sup>	Non-Executive Independent	5	2	2	—
7.	Mr. S. Bhattacharya <sup>4</sup>	Non-Executive Independent	3	—	2	—
8.	Mr. A. Sarkar <sup>5</sup>	Non-Executive Independent	1	—	—	—
9.	Mr. V. Mehra	Managing Director	—	—	—	—
10.	Mr. G. B. Aayeer	Whole-time Director	4	—	—	—

<sup>1</sup> Excluding private limited companies, foreign companies and companies under Section 8 of the Companies Act.

<sup>2</sup> 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.

*Directors namely Mr. S. Goenka, Mrs. P. Goenka and Mrs. S. Goenka are related to each other.*

<sup>3</sup> Appointed with effect from 28.9.2015.

<sup>4 & 5</sup> Appointed with effect from 22.12.2015.

**REPORT ON CORPORATE GOVERNANCE (contd.)****B. Attendance of Directors at the Board Meetings during the period 1st April, 2015 to 31st March, 2016 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 31.7.2015
1.	Mr. S. Goenka	2	No
2.	Mrs. P. Goenka	1	No
3.	Mrs. S. Goenka	1	No
4.	Mr. S. Banerjee <sup>1</sup>	-	Yes
5.	Mr. P. K. Mohapatra	5	No
6.	Mr. B. Raychaudhuri	5	Yes
7.	Mr. U. Kanoria <sup>2</sup>	3	-
8.	Mr. S. Bhattacharya <sup>3</sup>	1	-
9.	Mr. A. Sarkar <sup>4</sup>	1	-
10.	Mr. V. Mehra	5	Yes
11.	Mr. G. B. Aayeer	5	Yes

<sup>1</sup> Resigned with effect from 7.9.2015.<sup>2</sup> Appointed with effect from 28.9.2015.<sup>3&4</sup> Appointed with effect from 22.12.2015.**Note :** The Chairman of the Audit Committee attended the Annual General Meeting.**C. Number of Board Meetings held and the dates of Board Meetings**

Number of Board Meetings held during the Financial Year 2014-2015 - Five.

**Dates of the Board Meetings**

29th May, 2015; 28th September, 2015; 22nd December, 2015; 28th December, 2015 and 29th January, 2016.

**3. Committee of Directors****(i) Composition**

The composition of the Committee of Directors as on 31st March, 2016 is as under:

Name of the Directors	Position	Category of Director
Mr. S. Goenka	Chairman	Non-executive Director
Mr. S. Banerjee *	Member	Non-executive Independent Director
Mr. P. K. Mohapatra	Member	Non-executive Independent Director
Mr. B. Raychaudhuri **	Member	Non-executive Independent Director
Mr. V. Mehra	Member	Managing Director
Mr. G. B. Aayeer	Member	Whole-time Director

\* Resigned with effect from 7.9.2015.

\*\* Inducted with effect from 28.9.2015.

**(ii) Meetings**

During the financial year ended 31st March, 2016, the Committee of Directors met twice on 14th August, 2015 and 9th November, 2015 respectively.

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 three meetings held during the year
1.	Mr. S. Goenka	2
2.	Mr. S. Banerjee	1
3.	Mr. P. K. Mohapatra	2
4.	Mr. B. Raychaudhuri	-
5.	Mr. V. Mehra	2
6.	Mr. G. B. Aayeer	2

## REPORT ON CORPORATE GOVERNANCE (contd.)

### 4. Code of Conduct and Ethics 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 [http://r.saregama.com/resources/pdf/Code\\_of\\_Conduct.pdf](http://r.saregama.com/resources/pdf/Code_of_Conduct.pdf).

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.

### 5. Compliance Reports

At each meeting of the Board of Directors, the Managing / Whole-time Director places a certificate covering compliance of various provisions of law, as applicable.

### 6. Audit Committee

#### (i) Terms of Reference

The terms of reference of the Audit Committee include the powers set out in Regulation 18(2)(c), role and review of information as specified in Part C of Schedule II pursuant to Regulation 18(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and broadly covers inter alia overseeing the Company's financial reporting process, reviewing with the management the financial statements and adequacy of the internal audit function, discussing significant internal audit findings and statutory compliance issues. The terms of reference also fully conform to the requirements of Section 177 of the Companies Act, 2013.

#### (ii) Composition

The composition of the Audit Committee as on 31st March, 2016 is as under :

Name of the Directors	Position	Category of Director
Mr. B. Raychaudhuri	Chairman	Non-executive Independent Director
Mr. P. K. Mohapatra	Member	Non-executive Independent Director
Mr. S. Banerjee *	Chairman	Non-executive Independent Director
Mr. U. Kanoria **	Member	Non-executive Independent Director

\* Resigned with effect from 7.9.2015.

\*\* Inducted with effect from 28.9.2015.

The Members of the Audit Committee are eminent persons in the industry and have expertise in finance and accounting.

The Audit Committee acts as a link between the management, external and internal Auditors and the Board of Directors.

#### (iii) Meetings

During the financial year ended 31st March, 2016, the Audit Committee met four times on 29th May, 2015, 14th August, 2015, 9th November, 2015 and 29th January, 2016 respectively.

The Managing Director and Chief Financial Officer are invitees to the meetings of the Audit Committee. The Company Secretary acts as the Secretary to the Committee.

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

Sl. No.	Name of the Directors	Number of Meetings attended out of four meetings held during the year
1.	Mr. B. Raychaudhuri	4
2.	Mr. P. K. Mohapatra	4
3.	Mr. S. Banerjee	1
4.	Mr. U. Kanoria	1

### 7. Nomination and Remuneration Committee

#### (i) Terms of Reference

The existing Compensation Committee has been renamed as Nomination and Remuneration Committee as required under Section 178 of the Companies Act, 2013.

The Nomination and Remuneration Committee frames and implements the remuneration policy of the Company including remuneration payable to executive directors and employees. 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.

**REPORT ON CORPORATE GOVERNANCE (contd.)****(ii) Composition**

The composition of the Nomination and Remuneration Committee as on 31st March, 2016 is as under :

Name of the Directors	Position	Category of Director	Attendance
Mr. B. Raychaudhuri	Chairman	Non-executive Independent Director	4
Mr. P. K. Mohapatra	Member	Non-executive Independent Director	3
Mr. S. Banerjee *	Chairman	Non-executive Independent Director	1
Mr. U. Kanoria **	Member	Non-executive Independent Director	1

\* Resigned with effect from 7.9.2015.

\*\* Inducted with effect from 28.9.2015.

**(iii) Meetings**

During the financial year ended 31st March, 2016, Nomination and Remuneration Committee met four times on 28th May, 2015, 14th August, 2015, 9th November, 2015 and 28th March, 2016 respectively.

**8. Remuneration to 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.

Mr. V. Mehra, who has been appointed as Managing Director with effect from 27th October, 2014, has been paid remuneration as per the Agreement entered with the Company on 23rd December, 2014 as approved by the shareholders at Annual General Meeting held on 31st July, 2015. At the said meeting the shareholders approved authorization to the Board to vary and increase the remuneration, perquisites, incentives and bonus etc. payable to Mr. V. Mehra as Managing Director from time to time as the Board may consider appropriate.

Mr. G. B. Aayeer, the Whole-time Director, has been paid remuneration as per the Agreement entered with the Company on 9th April, 2012 and approved by the shareholders at the Annual General Meeting held on 27th July, 2012. 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 and 31st July, 2015. The subsequent increment in his remuneration effective 1st July, 2015 has been approved by the Board of Directors at its meeting held on 28th September, 2015 on recommendation of the Nomination and Remuneration Committee and is subject to approval of the shareholders at the ensuing Annual General Meeting.

The remuneration structure of all Managerial personnel comprises salary, allowances, perquisites and contributions to the Provident and other funds.

Details of remuneration paid to the Managerial personnel, Directors, both executive and non-executive, for the Financial Year 2015-2016 are given hereunder :

**A. Executive Director**

(₹ in thousands)

Name	Mr. V. Mehra	Mr. G. B. Aayeer
Designation	Managing Director (Appointed w.e.f. 27.10.2014)	Chief Financial Officer (Whole-time Director) (Appointed w.e.f. 9.4.2012)
Remuneration :		
Salaries and allowances	10800	7370
Contribution to Provident Fund	720	442
Contribution to Gratuity Fund	390	504
Contribution to Superannuation Fund	-	-
Other benefits/perquisites	37082	4991
<b>Total</b>	<b>48992</b>	<b>13307</b>

**Note:**

Service Contract	:	For a period of 5 years with effect from 27th October, 2014.	For a period of 5 years with effect from 9th April, 2012.
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	(i) Not less than 120 days' notice or 120 days' basic salary in lieu of notice. (ii) Termination of Agreement by the Company by giving one month notice or one month's Basic salary in lieu of notice.
Severance Fees	:	Nil	Nil
Stock Option Scheme	:	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 & 2015-16 to certain eligible employees and outstanding as on 31st March, 2016 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 Director	10,000	69.85

**REPORT ON CORPORATE GOVERNANCE (contd.)**

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

Exercise period is 10 years from the vesting date. 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 2015-16, the Nomination and Remuneration Committee of the Board of Directors has approved vesting of 4000 options to Mr. G. B. Aayeer.

**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) (being the difference in the share price between the date of grant and the date of exercise) 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%

The exercise period shall commence from the date of vesting and expire at the end of ten years from the relevant vesting date.

During the year 2015-16, the Nomination and Remuneration Committee of the Board of Directors has approved vesting of 1,32,000 SARs (i.e. 66% of 2,00,000 SARs) to its Managing Director.

**B. Non-executive Directors**

Sl. No.	Name of the Directors	Sitting Fees Paid / Payable (₹)
1.	Mr. S. Goenka	60000
2.	Mrs. P. Goenka	20000
3.	Mrs. S. Goenka	20000
4.	Mr. P. K. Mohapatra	165000
5.	Mr. B. Raychaudhuri	145000
6.	Mr. U. Kanoria	85000
7.	Mr. S. Bhattacharya	25000
8.	Mr. A. Sarkar	25000
9.	Mr. S. Banerjee	15000
	<b>Total</b>	<b>560000</b>

**9. Stakeholders Relationship Committee**

**(i) Composition**

In line with the Listing Agreement, the Company has a Stakeholders Relationship Committee of the Board of Directors under the Chairmanship of Mr. S. Goenka, Non-executive Director. The Committee is responsible for attending to the grievances of the shareholders.

The following is the composition of the Stakeholders Relationship Committee as on 31st March, 2016 is as under:

Name of the Directors	Position	Category
Mr. S. Goenka	Chairman	Non-executive Director
Mr. P. K. Mohapatra	Member	Non-executive Independent Director
Mr. U. Kanoria **	Member	Non-executive Independent Director
Mr. S. Banerjee *	Member	Non-executive Independent Director

\* Resigned with effect from 7.9.2015.

\*\* Inducted with effect from 28.9.2015.

Any grievances / complaints from shareholders are placed regularly at the Meeting of the Board of Directors. During the year ended 31st March, 2016 two Meetings of the Stakeholders Relationship Committee were held on 28th September, 2015 and 22nd December, 2015 respectively.

The attendance of the Stakeholders Relationship Committee Members at the said meetings are detailed below :-

Sl. No.	Name of the Directors	Number of Meetings attended out of two meetings held during the year
1.	Mr. S. Goenka	2
2.	Mr. P. K. Mohapatra	2
3.	Mr. U. Kanoria	1
4.	Mr. S. Banerjee	1

Mr. Tony Paul, GM-Legal & Company Secretary is the 'Compliance Officer'.

**REPORT ON CORPORATE GOVERNANCE (contd.)****Status of Shareholders' Complaints :**

Complaints pending as on 1st April, 2015 Nil

Number of complaints

– received during the year 10

– resolved during the year 10

Complaints pending as on 31st March, 2016 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, 2016 is as under:

Mr. V. Mehra, Managing Director

Mr. G. B. Aayeer, Chief Financial Officer

Mr. Tony Paul, GM-Legal & Company Secretary.

The Share Transfer Sub-Committee held 15 meetings during the financial year ended 31st March, 2016.

**10. Corporate Social Responsibility (CSR) Committee**

The Board of Directors of the Company has constituted a Corporate Social Responsibility Committee in compliance with Section 135 of the Companies Act, 2013 in order to formulate and recommend to the Board a CSR Policy indicating the activities to be undertaken by the Company and to discharge such other responsibilities as required under the Act and the Rules made thereunder. The Committee presently consisting of Mr. P. K. Mohapatra, Mr. G. B. Aayeer and Mr. U. Kanoria as its members. During the year, the Committee met once on 18th March, 2016. The details of attendance is as under :

Name of the Directors	Position	Category of Director	Attendance
Mr. P. K. Mohapatra	Member	Non-executive Independent Director	1
Mr. U. Kanoria **	Member	Non-executive Independent Director	1
Mr. G. B. Aayeer	Member	Whole-time Director	1
Mr. S. Banerjee *	Member	Non-executive Independent Director	-

\* Resigned with effect from 7.9.2015.

\*\* Inducted with effect from 28.9.2015.

Mr. Tony Paul, GM-Legal & Company Secretary acts a Secretary to the Committee.

**11. Independent Directors Meetings**

During 2015-16, the Independent Directors viz. Messrs B. Raychaudhuri, P. K. Mohapatra, U. Kanoria, S. Bhattacharya and A. Sarkar met on 30th March, 2016 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 five Independent Directors attended the said meeting.

The details of the familiarisation programme is disclosed on the Company's website at [www.saregama.com](http://www.saregama.com)

**12. General Body Meetings****(i) Location and time of the last three Annual General Meetings (AGM) held**

Date	Type	Venue	Time	Special Resolutions Passed
31st July, 2015	68th AGM	Mohit Moitra Mancha, Kolkata.	10.00 AM	Yes
30th July, 2014	67th AGM	Mohit Moitra Mancha, Kolkata.	10.00 AM	Yes
26th July, 2013	66th AGM	Mohit Moitra Mancha, Kolkata.	10.00 AM	Yes

**Note :**

There was no special resolution put through postal ballot in the last Annual General Meeting (AGM) held on 31st July, 2015. As on date no resolution is proposed to be conducted through postal ballot in the ensuing AGM.

**(ii) 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.**

## REPORT ON CORPORATE GOVERNANCE (contd.)

### 13. Disclosures

- (i) Details of related party transactions during the year have been set out under Note 37 of the Annual Accounts. These are not having any potential conflict with the interests of the Company at large.
- (ii) 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 2016 other than the observations made in the annexed Secretarial Audit Report.

- (iii) Out of the 53,38,628 equity shares of Rs.10/- each issued for cash at a premium of Rs.35/- (issue price - Rs. 45/-) pursuant to the Rights Issue in 2005, allotment of 5,290 (31.03.15 5,290) equity shares (relating to cases under litigation / pending clearance from concerned authorities) are in abeyance as on 31st March, 2016.
- (iv) Laid down procedures for assessment and minimisation of risk are being reviewed and updated periodically by the Board of Directors.
- (v) All mandatory requirements have been appropriately complied with and the non mandatory requirements are dealt with at the end of the Report.
- (vi) Certificate from the Managing Director and Whole-time Director cum 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, 2016 was placed before the Board of Directors of the Company at its meeting held on 25th May, 2016.

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

- (vii) 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.

Since the close of the year, two new 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.

Mr. Tony Paul, GM-Legal & Company Secretary, is the Compliance Officer who also acts as the Chief Investor Relations Officer.

- (viii) 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.
- (ix) 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. Internal Complaints Committee set up for the purpose did not receive any complaints for redressal during the year.

### 14. Subsidiary Companies

Of the subsidiaries of the Company, the unlisted Indian subsidiaries (Kolkata Metro Networks Limited and Open Media Network Pvt. Ltd.) as on 31st March, 2016 does not come under the purview of "material non-listed Indian subsidiary" as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### 15. 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 and presentations made to institutional investors or to the analysts	: Not Applicable.
Whether Management Discussions and Analysis is a part of Annual Report or not	: Yes, annexed to the Directors' Report.

**REPORT ON CORPORATE GOVERNANCE (contd.)****16. General Shareholder Information**

- a) **AGM : Date, Time and Venue** : 22nd July, 2016 at 10.00 A.M.  
at Mohit Moitra Mancha,  
34/1, Raja Manindra Road, Paikpara,  
Kolkata 700 037
- b) **Financial Year** : 1st April to 31st March
- c) **Dates of book closure** : From 16th July, 2016 to 22nd July, 2016 (both days inclusive) as annual closure for the Annual General Meeting and payment of dividend, if declared.
- d) **Dividend Payment Date** : Dividend of ₹ 1.50 per equity share of ₹ 10/- each for the year ended 31st March, 2016 as recommended by the Board of Directors, if declared at the ensuing Annual General Meeting to be held on 22nd July, 2016, will be paid within the stipulated time in compliance with the related / applicable statute.
- e) **Listing on Stock Exchanges** : The Calcutta Stock Exchange Limited  
7, Lyons Range, Kolkata - 700 001.  
  
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 Company has paid Listing fees upto the year 2016-2017 to all the Stock Exchanges.

**f) Stock Code :**

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

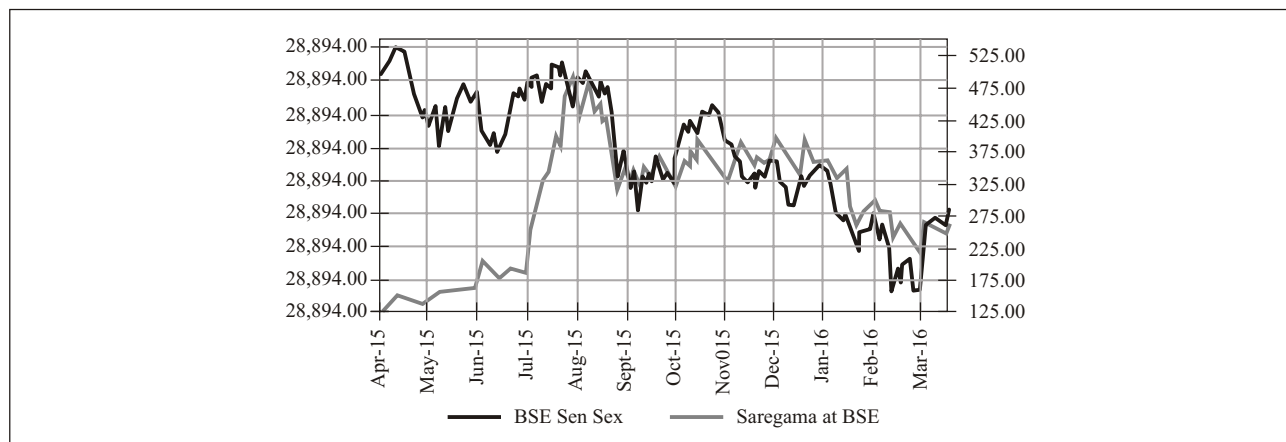
**g) Market Price Data - As quoted in NSE and BSE and reference of Saregama in comparison with BSE Sensex :**

Month	Saregama Share prices with NSE		Saregama Share prices with BSE		BSE Sensex	
	High (₹)	Low (₹)	High (₹)	Low (₹)	High	Low
April, 2015	162.00	122.35	162.00	123.95	29,094.61	26,897.54
May, 2015	172.90	146.25	173.00	147.10	28,071.16	26,423.99
June, 2015	218.80	157.00	219.00	162.90	27,968.75	26,307.07
July, 2015	498.20	193.65	499.00	193.10	28,578.33	27,416.39
August, 2015	509.00	305.00	509.00	304.60	28,417.59	25,298.42
September, 2015	379.95	314.10	372.00	313.50	26,471.82	24,833.54
October, 2015	418.30	312.00	418.80	311.30	27,618.14	26,168.71
November, 2015	416.00	315.00	416.00	312.00	26,824.30	25,451.42
December, 2015	420.80	332.00	421.00	315.10	26,256.42	24,867.73
January, 2016	378.00	250.00	377.30	250.00	26,197.27	23,839.76
February, 2016	317.00	185.10	317.30	198.50	25,002.32	22,494.61
March, 2016	300.00	217.00	300.80	220.00	25,479.62	23,133.18

REPORT ON CORPORATE GOVERNANCE (contd.)

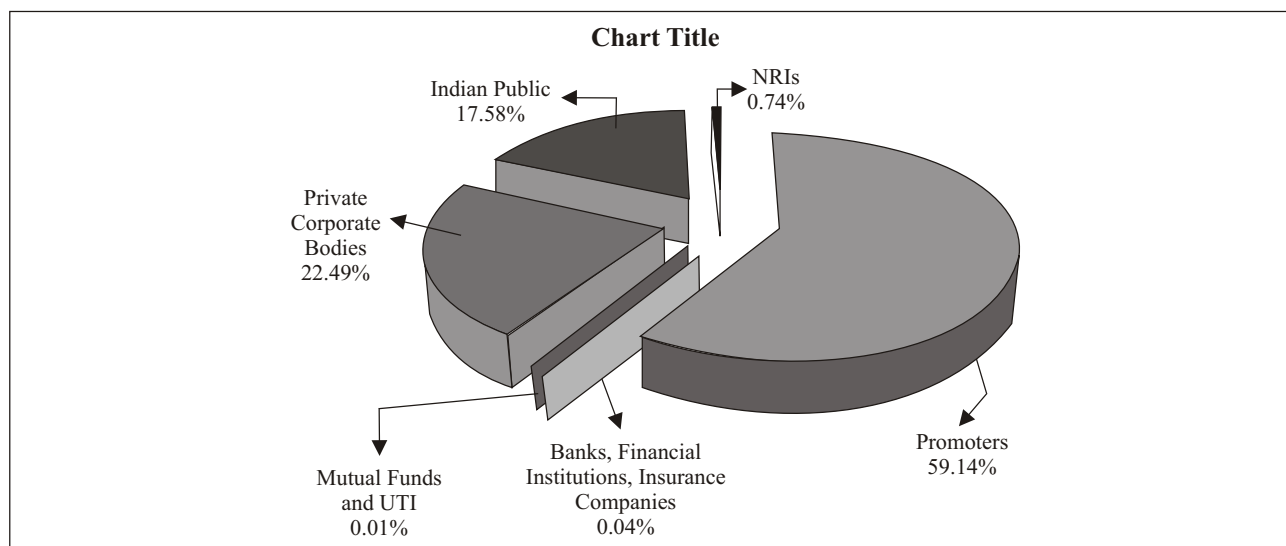
h) Stock Performance of Saregama India Vs. BSE Indices :

Saregama Share Price versus BSE Sensex



i) Shareholding pattern as on 31st March, 2016 :

Sl. No.	Category	No. of Equity shares held	Percentage %
1	Promoters	10291859	59.14
2	Mutual Funds and UTI	464	0.01
3	Banks, Financial Institutions, Insurance Companies	7039	0.04
4	Foreign Institutional Investors	Nil	Nil
5	Private Corporate Bodies	3914350	22.49
6	Indian Public	3061350	17.58
7	NRIs	127876	0.74
8	Any other	Nil	Nil
	Total	17402938	100.00



**REPORT ON CORPORATE GOVERNANCE (contd.)****j) Distribution of Holdings as on 31st March, 2016 :**

Category	No. of Shareholders	Percentage %	No. of Shares	Percentage %
Upto 500	15549	95.17	892880	5.13
501 - 1000	395	2.42	313063	1.80
1001 - 2000	175	1.07	265844	1.53
2001 - 3000	73	0.45	185642	1.07
3001 - 4000	32	0.20	113872	0.65
4001 - 5000	24	0.14	111077	0.64
5001 - 10000	34	0.21	257903	1.48
10001 - 50000	41	0.25	972438	5.59
50001 - 100000	6	0.04	460079	2.64
100001 & above	8	0.05	13830140	79.47
Total	16337	100.00	17402938	100.00

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

MCS Share Transfer Agent Limited,  
12/1/5, Manoharpukur Road,  
Ground Floor, Kolkata - 700 026.  
(Contacts: *Mr. Ramesh Agarwal / Mr. A. Mukherjee / Mr. P. Mukherjee*)  
Telephone: (033) 4072 4051 - 53  
Fax: (033) 4072 4050  
Email: mcssta@rediffmail.com

**l) 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 GM-Legal & 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 Clause 47(c) of the Listing Agreement.

**m) 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, 2016, a total of 1,72,33,083 Equity Shares of the Company, constituting 99% of the paid-up share capital, stand dematerialised.

**n) Outstanding GDR / ADRs / Warrants or any Convertible Instruments, Conversion date and likely impact on Equity :**

None.

**o) Plant location :**

'The Studios @ Dum Dum', 33, Jessore Road, Kolkata - 700 028

**p) Address for correspondence :**

**Registered Office** : 'The Studios @ Dum Dum', 33, Jessore Road, Kolkata - 700 028  
**Contact Person** : Mr. Tony Paul, *GM-Legal & Company Secretary*  
Telephone: (033) 2551 2984, 4773 | Fax No. : (033) 2550 0817 | Email: co.sec@saregama.com

**STATUS OF ADOPTION OF THE NON MANDATORY REQUIREMENTS**

The applicable Non-Mandatory Requirements will be implemented by the Company as and when required and / or deemed necessary by the Board.

Kolkata  
25th June, 2016

By Order of the Board  
Tony Paul  
*GM - Legal & Company Secretary*

**REPORT ON CORPORATE GOVERNANCE (contd.)**

**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, 2016, affirmed compliance with the Code of Conduct laid down by the Board of Directors in terms of the Listing Agreement / Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable.

Kolkata  
25th May, 2016

Vikram Mehra  
Managing Director  
DIN - 03556680

**AUDITOR'S CERTIFICATE**

**Auditor's Certificate regarding the compliance of Corporate Governance**

**To the Members of  
Saregama India limited**

We have examined the compliance of conditions of Corporate Governance by Saregama India Limited ('the Company') for the year ended 31st March, 2016, as stipulated in Clause 49 of the Listing Agreement ("Listing Agreement") of the said Company with stock exchanges for the period 1st April, 2015 to 30th November, 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing regulations") as referred to in Regulation 15(2) of the Listing regulations for the period 1st December, 2015 to 31st March, 2016.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring compliances with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement / Listing regulations, as applicable. 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 the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement / 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.

Place : Kolkata  
Date : 25th May, 2016

For Vidya & Co,  
Firm Registration No. 308022E  
Chartered Accountants  
Jitendra Nagar  
Partner  
Membership No. 055659

## INDEPENDENT AUDITORS' REPORT

### To the Members of Saregama India Limited

#### Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of Saregama India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### Opinion

8. 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 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 March 31, 2016, and its profit and its cash flows for the year ended on that date.

#### Emphasis of Matter

9. We draw your attention to Note 37.1 to the financial statements regarding managerial remuneration paid/provided aggregating ₹ 304.29 lacs for the year ended March 31, 2016 in excess of the limits specified in Section 197 read with Schedule V of the Act. The Management has made necessary application to the Central Government seeking its approval and response to which is awaited. Our opinion is not qualified in respect of this matter.

## INDEPENDENT AUDITORS' REPORT (contd.)

### Report on Other Legal and Regulatory Requirements

10. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. 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 Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the Directors and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2016 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
    - i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2016 on its financial position in its standalone financial statements - Refer Note 30 to the financial statements.
    - ii. There were no material foreseeable losses on the Company's long-term contracts as at March 31, 2016. The Company did not have any derivative contracts as at March 31, 2016.
    - iii. The instances of delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company, during the year ended March 31, 2016 are as follows :

	Amount (₹ in Lacs)
Dividend relating to FY 2007-08	1.28

Kolkata  
25th May, 2016

For Price Waterhouse  
Firm Registration No. : 301112 E  
Chartered Accountants  
(Pinaki Chowdhury)  
Partner  
Membership No.057572

## ANNEXURE TO INDEPENDENT AUDITORS' REPORT

### Annexure A to Independent Auditors' Report

Referred to in paragraph 11 (f) of the Independent Auditors' Report of even date to the members of Saregama India Limited on the standalone financial statement for the year ended March 31, 2016

#### Report on the Internal financial Controls under Clause (i) of sub-section 3 of Section 143 of the Act

1. We have audited the internal financial control over financial reporting of Saregama India Limited ( "the company" ) as of March 31, 2016 in conjunction with our audit of the standalone financial statement of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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(ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial control 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 Act.

#### Auditors' Responsibility

3. Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal financial Controls Over Financial Reporting ( the "Guidance Note" ) and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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 over financial reporting was established and maintained and if such controls operated affectively in all material respects .
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment , including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. 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 system over financial reporting.

#### Meaning of Internal financial controls Over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transaction 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 authorizations 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.

#### Inherent Limitations of Internal Financial controls Over financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**ANNEXURE TO INDEPENDENT AUDITORS' REPORT (contd.)**

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**Opinion**

- 8 In our opinion the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting 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.

Kolkata  
25th May, 2016

For Price Waterhouse  
Firm Registration No. : 301112 E  
*Chartered Accountants*  
(Pinaki Chowdhury)  
*Partner*  
Membership No.057572

**ANNEXURE TO INDEPENDENT AUDITORS' REPORT (contd.)****Annexure B to Independent Auditors' Report****Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Saregama India Limited on the standalone financial statements as of and for the year ended March 31, 2016**

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
  - (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.
  - (c) The title deeds of immovable properties, as disclosed in Note 9 on fixed assets to the financial statements, are held in the name of the Company.
- ii. The inventory (excluding stocks with third parties) has been physically verified by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable. The discrepancies noted on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provision of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investment made, and guarantees and security provided by it, as applicable.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of income tax, investor education and protection fund and service tax, though there has been a slight delay in few cases, and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, sales tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.
  - (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of service-tax, value added tax which have not been deposited on account of any dispute and the particulars of dues of income tax, sales tax, duty of customs, duty of excise as at March 31, 2016 which have not been deposited on account of a dispute, are as follows

Name of the Statute	Nature of Dues	Amount (₹ in Lacs.)	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 & Service Tax Appellate Tribunal
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	178.52	1999-00 2006-07	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

**ANNEXURE TO INDEPENDENT AUDITORS' REPORT (contd.)**

Name of the Statute	Nature of Dues	Amount (₹ in Lacs.)	Period to which the amount relates	Forum where the dispute is pending
Maharashtra Value Added Tax, 2002	Sales Tax	197.39	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
West Bengal Value Added Tax Act, 2003	Sales Tax	4.48	2011-12	Joint Commissioner
Customs Act, 1962	Custom duty	52.02	2003-04 to 2007-08	Commissioner of Customs
Income Tax Act, 1961	Income tax	889.22	2006-07 2007-08 2008-09 2010-11 2012-13	Commissioner of Income tax Appeal
Income Tax Act, 1961	Income tax	12.38	2007-08 to 2013-14	Deputy Commissioner

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowing to any financial institution or bank or Government or dues to debenture holders, as applicable, as at the balance sheet date.
- ix. In our opinion, and according to the information and explanations given to us, term loans have been applied, on overall basis for the purpose for which they were obtained. The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments).
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported, during the year, nor have we been informed of any such case by the Management.
- xi. Except for matter referred to in paragraph 9 of the Audit Report, the managerial remuneration paid/provided by the Company is in accordance with the requisite approvals as mandated by the provisions of Section 197 read with Schedule V to the Act. Further, as stated in the Note 37.1 to the Financial Statements, the Company has made application to the Central Government seeking its approval on amount of managerial remuneration paid/provided in excess of limits specified in the Act, response to which is awaited.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

**ANNEXURE TO INDEPENDENT AUDITORS' REPORT (contd.)**

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- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Section 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

Kolkata  
25th May, 2016

For Price Waterhouse  
Firm Registration No. : 301112 E  
Chartered Accountants  
(Pinaki Chowdhury)  
Partner  
Membership No.057572

**BALANCE SHEET AS AT 31ST MARCH 2016**

			(₹ in Lacs)
	Note	As at 31st March, 2016	As at 31st March, 2015
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders ' Funds</b>			
Share Capital	2	1,740.29	1,740.29
Reserves and Surplus	3	17,342.01	16,901.76
<b>Non Current Liabilities</b>			
Long Term Provisions	4	131.17	141.06
<b>Current Liabilities</b>			
Short Term Borrowings	5	-	429.96
Trade Payables	6		
a) Total outstanding dues of micro enterprises and small enterprises		0.56	0.75
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		2,883.58	2,641.70
Other Current Liabilities	7	2,494.71	1,568.33
Short Term Provisions	8	2,734.01	2,095.65
		<b>27,326.33</b>	<b>25,519.50</b>
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Fixed Assets	9		
Tangible Assets		7,685.28	7,567.89
Intangible Assets		710.90	762.02
Non-Current Investments	10	4,802.36	4,801.25
Deferred Tax Assets (net)	11	1,061.56	758.89
Long-term Loans and Advances	12	520.23	282.68
Other Non Current Assets	13	2.00	2.00
<b>Current Assets</b>			
Inventories	14	96.66	479.87
Trade Receivables	15	4,914.60	5,805.28
Cash and Bank Balances	16	2,376.86	393.43
Short-term Loans and Advances	17	5,138.63	4,666.19
Other Current Assets	18	17.25	-
		<b>27,326.33</b>	<b>25,519.50</b>

The Notes are an integral part of these Financial Statements

This is the Balance Sheet referred to in our report of even date

For Price Waterhouse  
Firm Registration No. 301112 E  
Chartered Accountants  
(Pinaki Chowdhury)

Kolkata,  
25th May, 2016

Partner  
Membership No. - 057572

On behalf of the Board

T. Paul  
Company Secretary

V. Mehra  
Managing Director  
DIN - 03556680

G. B. Aayeer  
Chief Financial Officer & Director  
DIN - 00087760

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2016

(₹ in Lacs)

	Note	Year ended 31st March, 2016	Year ended 31st March, 2015
Revenue from Operations (Gross)	19	21,484.39	18,188.61
Less: Excise Duty		0.03	0.08
Revenue from Operations (Net)		21,484.36	18,188.53
Other Income	20	992.20	705.77
<b>Total Revenue</b>		<b>22,476.56</b>	<b>18,894.30</b>
Expenses:			
Contract Manufacturing Charges	21	237.84	203.52
Cost of Production of Television Serials and Portal	22	6,766.82	7,059.48
Changes in Inventories of Finished Goods [(Increase)/Decrease]	23	383.21	(274.67)
Employee Benefits Expense	24	4,035.95	2,977.91
Finance Costs	25	36.05	51.26
Depreciation and Amortisation Expense	26	526.02	538.87
Other Expenses	27	8,551.38	6,541.13
<b>Total Expenses</b>		<b>20,537.27</b>	<b>17,097.50</b>
Profit Before Exceptional Items and Tax		1,939.29	1,796.80
Exceptional Items	28	960.09	261.39
<b>Profit Before Tax</b>		<b>979.20</b>	<b>1,535.41</b>
Tax Expenses :			
Current Tax		527.44	-
Deferred Tax Charge/(Credit)		(302.67)	(33.10)
<b>Profit for the Year</b>		<b>754.43</b>	<b>1,568.51</b>
Earnings per Equity Share:	32.2		
[ Nominal Value per share ₹ 10/-(Previous Year- ₹ 10/-) ]			
Basic (₹)		4.34	9.01
Diluted (₹)		4.33	9.01

The Notes are an integral part of these Financial Statements

This is the Statement of Profit and Loss referred to in our report of even date

For Price Waterhouse  
Firm Registration No. 301112 E  
Chartered Accountants  
(Pinaki Chowdhury)  
Partner  
Membership No. - 057572

Kolkata,  
25th May, 2016

On behalf of the Board

T. Paul  
Company Secretary

V. Mehra  
Managing Director  
DIN - 03556680

G. B. Aayeer  
Chief Financial Officer & Director  
DIN - 00087760

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016**

**1. Significant Accounting Policies**

**(a) Basis of the Preparation of the Financial Statements**

These Financial Statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis, except for certain Tangible Fixed Assets which are being carried at revalued amounts (as indicated in Notes 9.1, 9.2, 9.3 and 9.4). Pursuant to Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, till the standards of Accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements are prepared to comply in all material aspects, with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules 2006 as amended] and the other relevant provisions of the Companies Act, 2013.

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. 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.

**(b) Use of Estimates**

The preparation of the financial statements in conformity with the generally accepted accounting principles in India requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities as at the balance sheet date, the reported amount of revenue and expenses for the period and disclosure of contingent liability as at the balance sheet date. The estimates and assumptions used in the financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results could differ from estimates.

**(c) Fixed Assets**

**(i) Tangible Assets**

Tangible Fixed Assets are stated at their original cost less depreciation, where applicable, other than revalued items which are stated at valuation less depreciation, where applicable, as referred to in Notes 9.1, 9.2, 9.3 and 9.4.

Impairment loss is recognised wherever the carrying amount of tangible fixed assets of a cash generating unit exceeds its recoverable amount (i.e. higher of net selling price and value in use).

**(ii) Intangible Assets**

The cost incurred for producing / purchasing feature films wherein future economic benefits are established to accrue over medium to long term period are recognised as intangible asset in the year of release at 50% of the cost of making the film including negatives or purchase cost.

Outright acquisition of music copyrights wherein future economic benefits are established are capitalised.

Softwares are capitalised where it is expected to provide future enduring economic benefits. Capitalisation costs includes license fees and cost of implementation / system integration services. The costs are capitalised in the year in which the relevant software is implemented for use.

Impairment loss is recognised wherever the carrying amount of intangible fixed assets of a cash generating unit exceeds its recoverable amount (i.e. higher of net selling price and value in use).

**(d) Depreciation / Amortisation**

Depreciation on original cost and amount added on revaluation of tangible fixed assets is provided on a pro rata basis on the straight line method based on the estimated useful lives of the asset as prescribed under Schedule II to the Companies Act, 2013 which is in line with the technical evaluation carried out in 2014-15 by the Company's expert. Aforesaid technical evaluation carried out in 2014-15 have been revisited by the Company's management during the year and no change to the evaluated life considered necessary.

Feature Films / 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.

Softwares are amortised on a straight line basis over a period of three years from the date of capitalisation.

**(e) Investments**

Long term investments are stated at cost / cost less write down. Provision for diminution is made to recognise a decline other than temporary in the carrying amount of long term investments as determined by the Board of Directors on periodical review.

Current investments are carried at lower of cost and fair value.

**(f) Inventories**

Inventories are valued at lower of cost and net realisable value.

**(i) Finished Goods**

The cost is determined on specific identification / weighted average basis, as considered appropriate by the Company, and includes, where applicable, appropriate share of overheads.

Provision is made for obsolete / slow moving / defective stocks, where necessary.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)**
**(ii) Television Serials**

Television serials under production are included under 'Work-in-Progress' at cost or under.

Untelecasted television serials are stated at lower of cost and net expected revenue and included under 'Finished Goods'.

**(g) Employee Benefits**

Short-term Employee Benefits (i.e. benefits payable within one year) are recognised in the period in which employee services are rendered. Contribution towards superannuation at rates specified in related approved scheme covering eligible employees opting for such contribution is recognised as expense and funded.

Liability towards gratuity (defined benefit), covering eligible employees, is provided on the basis of year-end actuarial valuation using Projected Unit Credit Method. Gratuity is funded.

Accrued liability towards leave encashment benefits (defined benefit), covering eligible employees, evaluated on the basis of year-end actuarial valuation using Projected Unit Credit Method is recognised as charge.

Contribution towards provident fund to Government administered provident fund is recognised as expense.

Actuarial gains / losses arising in Defined Benefit Plans are recognised immediately in the Statement of Profit and Loss as income / expense for the year in which they occur.

Termination benefits represent compensation towards Voluntary Retirement Scheme which is expensed on accrual of liability.

**(h) Sales and Licence Fees**

Revenue from sales is recognised on transfer of significant risks and rewards of ownership to customers based on agreement with the customers. Licence Fees represent income from music rights.

Revenue relating to television serials is recognised on the basis of telecast / delivery of content, as applicable.

**(i) Other Income**

Interest: Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend: Dividend income is recognised when the right to receive dividend is established.

**(j) 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.

**(k) Foreign Currency Transactions**

Transactions in foreign currency are accounted for at the exchange rates prevailing on the date of transactions. Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at year-end exchange rates. The resultant exchange differences arising from settlement of foreign currency transaction and from year-end restatement are recognised in the Statement of Profit and Loss.

**(l) Borrowing Cost**

Borrowing costs, if any, attributable to the acquisition and construction of qualifying assets are added to the cost upto the date when such assets are ready for their intended use. Other borrowing costs are recognised as expense in the period in which these are incurred.

**(m) Taxes on Income**

Current tax is provided as the amount of tax payable in respect of taxable income for the year measured using the applicable tax rules and laws.

Deferred tax is provided on timing differences between taxable income and accounting income measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets are recognised only if there is a virtual / reasonable certainty, as applicable, in keeping with Accounting Standard 22 on 'Accounting for Taxes on Income' that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are reviewed for the appropriateness of their respective carrying amount at each Balance Sheet date.

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax in excess of MAT during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax in excess of MAT during the specified period.

**(n) Provisions and Contingent Liabilities**

Provisions are recognised when there is a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation as at the Balance Sheet date and are not discounted to its present value.

Contingent liabilities are disclosed 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 will be required to settle or a reliable estimate of the amount cannot be made.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)

(₹ in Lacs)

2. SHARE CAPITAL

Authorised

2,50,00,000 (31.03.2015:2,50,00,000) Equity Shares of ₹10/- each

Issued

1,74,02,938 (31.03.2015:1,74,02,938) Equity Shares of ₹10/- each

Subscribed and Paid Up

1,74,02,938 (31.03.2015:1,74,02,938) Equity Shares of ₹10/- each fully paid up

TOTAL

As at 31st March, 2016	As at 31st March, 2015
2,500.00	2,500.00
1,740.29	1,740.29
1,740.29	1,740.29
1,740.29	1,740.29

2.1 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 (31.03.2015- 5,290) equity shares (relating to cases under litigation / pending clearance from the concerned authorities) are kept in abeyance as on 31st March, 2016.

2.2 Number of Equity Shares outstanding as at the beginning and as at the end of the year

	As at 31st March, 2016		As at 31st March, 2015	
	Number	Amount (₹ Lacs)	Number	Amount (₹ Lacs)
Balance as at the beginning of the year	17,402,938	1,740.29	17,402,938	1,740.29
Balance as at the end of the year	17,402,938	1,740.29	17,402,938	1,740.29

2.3 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.

2.4 (i) Shares held by holding company

	As at 31st March, 2016		As at 31st March, 2015	
Name of the Shareholder	No. of shares held	Amount (₹ Lacs)	No. of shares held	Amount (₹ Lacs)
Rainbow Investments Limited	10,291,599	1029.16	10,291,599	1029.16

(ii) The Company became a subsidiary of Rainbow Investments Limited (RIL) pursuant to a Scheme of Amalgamation and Arrangement between Rainbow Investments Limited and certain companies and their respective shareholders as sanctioned by the Hon'ble High Court at Calcutta. The certified copy of the aforesaid Order was filed with the Registrar of Companies on July 8, 2014 (Effective date of the aforesaid Scheme).

2.5 Details of the Shares held by Shareholders holding more than 5 % of the aggregate shares in the Company:

	As at 31st March, 2016		As at 31st March, 2015	
Name of the Shareholder	No. of shares held	Holding Percentage	No. of shares held	Holding Percentage
Rainbow Investments Limited	10,291,599	59.14%	10,291,599	59.14%
Rel Utility Engineers Limited	-	-	13,19,000	7.58%
Reliance Capital Limited	1,188,000	6.83%	-	-

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)****2.6 Stock Option Schemes**

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 and 2015-16 to certain eligible employees and outstanding as on 31st March, 2016 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 Director	10,000	69.85
Mr. Avinash Mudaliar, Head – Internet Products & Services	10,000	53.95
Mr. Troy Lobo, VP- Sales & Marketing	10,000	195.40

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

Exercise period is 10 years from the vesting date. 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 2015-16, the Nomination and Remuneration Committee of the Board of Directors has approved vesting of 4000 options each to Mr.G.B.Aayeer and Mr Avinash Mudaliar.

**2.7 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) (being the difference in the share price between the date of grant and the date of exercise) 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%

The exercise period shall commence from the date of vesting and expire at the end of ten years from the relevant vesting date.

During the year 2015-16, the Nomination and Remuneration Committee of the Board of Directors has approved vesting of 1,32,000 SARs (i.e. 66% of 2,00,000 SARs) to its Managing Director.

**3. RESERVES AND SURPLUS****SECURITIES PREMIUM ACCOUNT**

Balance as per Last Account

**REVALUATION RESERVE**

Balance as at the beginning of the year

Less: Transferred to General Reserve ( Refer Note 3.1 and 9.4 )

Balance as at the end of the year

**GENERAL RESERVE**

Balance as at the beginning of the year

Add: Transferred from Revaluation Reserve( Refer Note 3.1 and 9.4 )

Less: Adjustment consequent to revision of useful lives pursuant to Schedule II to the Companies Act, 2013 ( Also Refer note 26.1 )

Balance as at the end of the year

**SURPLUS IN THE STATEMENT OF PROFIT AND LOSS**

Balance as at the beginning of the year

Add: Profit for the year

**Less: Appropriations**

Proposed dividend @ ₹ 1.50 per share ( 31.03.2015- ₹ 1.50 per share )

Dividend distribution tax on proposed dividend

Balance as at the end of the year

**TOTAL**

	As at 31st March, 2016	As at 31st March, 2015
	9,079.10	9,079.10
	3,021.53	3,047.27
	13.68	25.74
	3,007.85	3,021.53
	680.27	778.73
	13.68	25.74
	-	124.20
	693.95	680.27
	4,120.86	2,866.53
	754.43	1,568.51
	261.04	261.04
	53.14	53.14
	4,561.11	4,120.86
	17,342.01	16,901.76

- 3.1 Includes ₹.Nil ( 31.03.2015 - ₹ 12.06) reduced from Revaluation Reserve in respect of assets where revised useful lives have expired by 31st March, 2014 pursuant to revision made during the previous year. Also refer note 26.1.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)

	As at 31st March, 2016	As at 31st March, 2015
<b>4. LONG TERM PROVISIONS</b>		
Provision for Employee Benefits		
Leave Encashment	131.17	141.06
<b>TOTAL</b>	<b>131.17</b>	<b>141.06</b>

	As at 31st March, 2016	As at 31st March, 2015
<b>5. SHORT TERM BORROWINGS</b>		
Repayable on demand		
Secured		
Cash Credit from Banks (Refer Note:5.1)	—	362.46
Unsecured		
Inter Corporate Deposits	—	67.50
<b>TOTAL</b>	<b>—</b>	<b>429.96</b>

5.1 Cash Credit from Banks bearing interest rate between 10.55% to 15.60% per annum (2014-15 - 13.50% to 15.60% per annum) are secured by first charge of entire stock of raw materials, stock in process, finished goods, receivables / book debts and other current assets of the Company (present and future) and pari passu charge with other consortium banks.

	As at 31st March, 2016	As at 31st March, 2015
<b>6. TRADE PAYABLES</b>		
Trade Payables		
a) Total outstanding dues of micro enterprises and small enterprises (Refer Note 6.1)	0.56	0.75
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	2,883.58	2,641.70
<b>TOTAL</b>	<b>2,884.14</b>	<b>2,642.45</b>

**6.1 Micro and Small Enterprises :**

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

	As at 31st March, 2016	As at 31st March, 2015
(a) The Principal amount and interest due thereon remaining unpaid to suppliers under MSMED as at the end of accounting year		
Principal	0.03	0.07
Interest	0.05	0.04
(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	0.04	0.61
Interest	0.27	—
(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	0.07	Nil
(d) The amount of interest accrued and remaining unpaid at the end of the year [including ₹ 0.41 Lacs (Previous year ₹ 0.51 Lacs) being interest outstanding as at the beginning of the accounting year]	0.53	0.68
(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	0.12	0.17

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)

(₹ in Lacs)

**7. OTHER CURRENT LIABILITIES**

	As at 31st March, 2016	As at 31st March, 2015
Interest Accrued and Due on Deposits from Dealers	36.68	32.48
Interest Accrued and Due on Borrowings	-	1.09
Unpaid Dividends (Refer Note 7.1)	5.40	4.99
Income Received In Advance	627.49	167.17
Advance from Customers	14.58	45.02
Security Deposit from Dealers	55.54	64.51
Dealer's Incentive	39.67	39.67
Liabilities for Expenses	406.53	818.17
Employee Benefits Payable	1,102.37	153.92
Amount Payable to Government Authorities	163.44	198.30
Advance against proposed sale of certain fixed assets	25.00	25.00
Security Deposit from General Insurance Corporation of India on Sub lease of property	18.01	18.01
<b>TOTAL</b>	<b>2,494.71</b>	<b>1,568.33</b>

- 7.1 There are no amount due and outstanding to be credited to Investor Education and Protection Fund under Section 205C of the Companies Act, 1956 as at year end.

(₹ in Lacs)

**8. SHORT TERM PROVISIONS**

	As at 31st March, 2016	As at 31st March, 2015
Provision for Employee Benefits		
Leave Encashment	32.31	23.11
Gratuity (Refer Note: 24.1)	65.43	41.49
Other Provisions		
Provision for Royalty on License Fees (Refer Note 8.1)	2,322.09	1,686.87
Provision for Wealth Tax	-	30.00
Provision for Proposed Dividend	261.04	261.04
Provision for Dividend Distribution Tax on Proposed Dividend	53.14	53.14
<b>TOTAL</b>	<b>2,734.01</b>	<b>2,095.65</b>

(₹ in Lacs)

**8.1 Movements of Provision for Royalty on Licence Fees**

	As at 31st March, 2016	As at 31st March, 2015
Carrying amount at the beginning of the year	1,686.87	1,285.73
Add: Created during the year	1,458.71	1,319.19
	3,145.58	2,604.92
Less: Excess provision of earlier years, written back	38.25	94.90
Less: Amounts utilised during the year	785.24	823.15
Carrying amount at the end of the year	2,322.09	1,686.87

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)

9. FIXED ASSETS

(₹ in Lacs)

	Gross block				Depreciation and Amortisation				Net block		
	Cost/ Valuation as at 31st March, 2015	Additions during the year	Deletions/ Adjustments during the year	Cost/ Valuation as at 31st March, 2016	Up to 31st March, 2015	For the Year	On Deletions/ Adjustments during the year	Adjustment consequent to revision of useful lives pursuant to schedule II to the Companies Act, 2013 (Also Refer Note 26.1)	Up to 31st March, 2016	As at 31st March, 2016	As at 31st March, 2015
<b>A) Tangible Assets</b>											
Land - Freehold	6,567.47	-	-	6,567.47	-	-	-	-	-	6,567.47	6,567.47
Buildings - Freehold	771.96	-	-	771.96	426.01	22.65	-	-	448.66	323.30	345.95
Leasehold Buildings	70.60	-	-	70.60	32.10	0.79	-	-	32.89	37.71	38.50
Plant and Equipment	1,773.10	-	3.95	1,769.15	1,747.77	19.85	3.67	-	1,763.95	5.20	25.33
Furniture and Fixtures	729.50	106.75	34.40	801.85	387.39	58.53	22.41	-	423.51	378.34	342.11
Office Equipment	1,627.04	271.17	5.23	1,892.98	1,393.61	141.40	5.23	-	1,529.78	363.20	233.43
Vehicles	63.79	-	-	63.79	48.69	5.04	-	-	53.73	10.06	15.10
<b>TOTAL</b>	<b>11,603.46</b>	<b>377.92</b>	<b>43.58</b>	<b>11,937.80</b>	<b>4,035.57</b>	<b>248.26</b>	<b>31.31</b>	<b>-</b>	<b>4,252.52</b>	<b>7,685.28</b>	<b>7,567.89</b>

	Gross block				Amortisation				Net block	
	Cost/ Valuation as at 31st March, 2015	Additions during the year	Deletions/ Adjustments during the year	Cost/ Valuation as at 31st March, 2016	Up to 31st March, 2015	For the Year	On Deletions/ Adjustments during the year	Up to 31st March, 2016	As at 31st March, 2016	As at 31st March, 2015
<b>B) Intangible Assets</b>										
Copyrights-Music	1,169.73	170.70	-	<b>1,340.43</b>	483.55	197.98	-	<b>681.53</b>	<b>658.90</b>	686.18
Feature Film	3,759.72	-	-	<b>3,759.72</b>	3,759.72	-	-	<b>3,759.72</b>	-	-
Computer Software	548.01	57.72	5.45	<b>600.28</b>	472.17	79.78	3.67	<b>548.28</b>	<b>52.00</b>	75.84
TOTAL	5,477.46	228.42	5.45	<b>5,700.43</b>	4,715.44	277.76	3.67	<b>4,989.53</b>	<b>710.90</b>	762.02

- 9.1** Based on valuation reports of valuers, appointed for the purpose, the tangible fixed assets (other than furniture and fittings, office equipment, vehicles and certain items of plant and equipment) were revalued on 31st March, 1984 and again (except for those relating to record making machinery items) on 30th September, 1987 after considering the then (a) current market value/ derived rates attributable to land (b) current replacement cost after depreciation etc. and an amount of ₹ 587.31 lacs and ₹ 628.19 lacs were added to the book value of the related assets (with corresponding credit to Fixed Asset Revaluation Reserve) on 31st March, 1984 and 30th September, 1987 respectively.
- 9.2** Certain tangible fixed assets of the Company viz Land and Buildings were revalued in June 2003 by registered valuers at the lower of current replacement cost and realisable value. Resultant incremental value amounting to ₹ 2,374.11 lacs were added to the book value of the related assets with utilisation of the corresponding credit amount pursuant to an approved scheme of arrangement.
- 9.3** Company's land was revalued on 31st March, 2007 by registered valuers, at lower of current replacement cost and realisable value. Resultant incremental value amounting to ₹ 4,421.30 lacs were added to the book value of land with corresponding credit to Revaluation Reserve of ₹ 2,697.56 lacs and utilisation of the balance amount of ₹ 1,723.74 lacs pursuant to a sanctioned scheme of amalgamation of erstwhile Saregama Films Limited with the Company in 2006-07.
- 9.4** In respect of tangible fixed asset covered by revaluation made in the earlier years, depreciation has been calculated on their respective revalued amounts. Depreciation on account of incremental amount to the extent of Rs 13.68 lacs ( Previous year - ₹13.68 lacs) has been transferred from Revaluation Reserve to General Reserve.
- 9.5** Title deeds of the immovable properties as set out in the above table are in the name of the Company.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)

## 9.1 FIXED ASSETS

(₹ in Lacs)

	Gross block				Depreciation and Amortisation				Net block		
	Cost/ Valuation as at 31st March, 2014	Additions during the year	Deletions/ Adjustments during the year	Cost/ Valuation as at 31st March, 2015	Up to 31st March, 2014	For the Year	On Deletions/ Adjustments during the year	Adjustment consequent to revision of useful lives pursuant to schedule II to the Companies Act, 2013 (Also Refer Note 26.1)	Up to 31st March, 2015	As at 31st March, 2015	As at 31st March, 2014
<b>A) Tangible Assets</b>											
Land - Freehold	6,567.47	-	-	<b>6,567.47</b>	-	-	-	-	-	<b>6,567.47</b>	6,567.47
Buildings - Freehold	771.96	-	-	<b>771.96</b>	366.70	22.65	-	36.66	<b>426.01</b>	<b>345.95</b>	405.26
Leasehold Buildings	70.60	-	-	<b>70.60</b>	31.30	0.80	-	-	<b>32.10</b>	<b>38.50</b>	39.30
Plant and Equipment	1,790.92	-	17.82	<b>1,773.10</b>	1,676.63	25.92	17.82	63.04	<b>1,747.77</b>	<b>25.33</b>	114.29
Furniture and Fixtures	693.65	137.81	101.96	<b>729.50</b>	370.14	54.56	56.30	18.99	<b>387.39</b>	<b>342.11</b>	323.51
Office Equipment	1,512.45	119.78	5.19	<b>1,627.04</b>	1,184.83	152.39	2.92	59.31	<b>1,393.61</b>	<b>233.43</b>	327.62
Vehicles	242.81	-	179.02	<b>63.79</b>	40.22	18.67	14.16	3.96	<b>48.69</b>	<b>15.10</b>	202.59
<b>TOTAL</b>	<b>11,649.86</b>	<b>257.59</b>	<b>303.99</b>	<b>11,603.46</b>	<b>3,669.82</b>	<b>274.99</b>	<b>91.20</b>	<b>181.96</b>	<b>4,035.57</b>	<b>7,567.89</b>	<b>7,980.04</b>

	Gross block				Amortisation				Net block	
	Cost/ Valuation as at 31st March, 2014	Additions during the year	Deletions/ Adjustments during the year	Cost/ Valuation as at 31st March, 2015	Up to 31st March, 2014	For the Year	On Deletions/ Adjustments during the year	Up to 31st March, 2015	As at 31st March, 2015	As at 31st March, 2014
B) Intangible Assets										
Copyrights-Music	1,101.48	68.25	-	1,169.73	270.78	212.77	-	483.55	686.18	830.70
Feature Film	3,759.72	-	-	3,759.72	3,759.72	-	-	3,759.72	-	-
Computer Software	548.01	-	-	548.01	421.06	51.11	-	472.17	75.84	126.95
TOTAL	5,409.21	68.25	-	5,477.46	4,451.56	263.88	-	4,715.44	762.02	957.65

**9.1.1** Based on valuation reports of valuers, appointed for the purpose, the tangible fixed assets (other than furniture and fittings, office equipment, vehicles and certain items of plant and equipment) were revalued on 31st March, 1984 and again (except for those relating to record making machinery items) on 30th September, 1987 after considering the then (a) current market value/derived rates attributable to land (b) current replacement cost after depreciation etc. and an amount of ₹ 587.31 lacs and ₹ 628.19 lacs were added to the book value of the related assets (with corresponding credit to Fixed Asset Revaluation Reserve) on 31st March, 1984 and 30th September, 1987 respectively.

**9.1.2** Certain tangible fixed assets of the Company viz. Land and Buildings were revalued in June 2003 by registered valuers at the lower of current replacement cost and realisable value. Resultant incremental value amounting to ₹ 2,374.11 lacs were added to the book value of the related assets with utilisation of the corresponding credit amount pursuant to an approved scheme of arrangement.

**9.1.3** Company's land was revalued on 31st March, 2007 by registered valuers, at lower of current replacement cost and realisable value. Resultant incremental value amounting to ₹ 4,421.30 lacs were added to the book value of land with corresponding credit to Revaluation Reserve of ₹ 2,697.56 lacs and utilisation of the balance amount of ₹ 1,723.74 lacs pursuant to a sanctioned scheme of amalgamation of erstwhile Saregama Films Limited with the Company in 2006-07.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)

## 10. NON CURRENT INVESTMENTS

(₹ in Lacs)

		Number			
	As at 31st March, 2016	As at 31st March, 2015	Face Value of each share/unit	Book Value as at 31st March, 2016	Book Value as at 31st March, 2015
<b>Long Term :</b>					
<b>A. Trade Investment (valued at cost/under)</b>					
<b>Unquoted-Fully Paid</b>					
Saregama Regency Optimedia Private Limited (Joint Venture)	14,59,684	14,59,684	Rs. 10	145.97	145.97
Less: Provision for other than temporary diminution in the carrying amount of Investment				(145.97)	(145.97)
				-	-
<b>B. Other than Trade Investment (Valued at cost unless stated otherwise)</b>					
<b>1. Fully Paid Equity/Ordinary Shares in Subsidiary Companies</b>					
<b>Unquoted</b>					
Saregama Plc.	7,629,072	70,12,222	1 pence	51.65	48.52
Less: Provision for other than temporary diminution in the carrying amount of Investment				(42.83)	
			(a)	8.82	48.52
RPG Global Music Ltd.	23,14,885	23,14,885	US \$ 1	1,026.20	1,026.20
Less: Provision for other than temporary diminution in the carrying amount of Investment				(1,026.20)	(1,026.20)
			(b)	-	-
Kolkata Metro Networks Ltd.*	17,050,000	17,050,000	₹ 10	1,705.00	1,705.00
Less: Provision for other than temporary diminution in the carrying amount of Investment				(150.90)	(191.71)
			(c)	1,554.10	1,513.29
Open Media Network Private Limited #	1,075,600	808,600	₹10	83.53	80.86
Less: Provision for other than temporary diminution in the carrying amount of Investment				(83.53)	(80.86)
			(d)	-	-
			Total (a+b+c+d)	1,562.92	1,561.81
<b>2. Fully Paid Equity Shares in Other Companies</b>					
<b>Quoted</b>					
CESC Ltd.	1,259,988	1,259,988	₹10	3,239.18	3,239.18
Phillips Carbon Black Ltd.	100	100	₹10	0.06	0.06
Harrisons Malayalam Ltd.	100	100	₹10	0.04	0.04
CFL Capital Financial Services Ltd.	100	100	₹10	0.02	0.02
STEL Holdings Ltd	100	100	₹10	-	-
<b>Unquoted</b>					
Spencer and Company Ltd.	200	200	₹9	0.07	0.07
Woodlands Multispeciality Hospital Limited	2,250	2,250	₹10	0.07	0.07
Timbre Media Private Limited @	2,30,000	2,30,000	₹10	-	-
				3,239.44	3,239.44
			Grand Total(A+B)	4,802.36	4,801.25
Aggregate Amount of Quoted Investments				3,239.30	3,239.30
Aggregate Market Value of Quoted Investments				5,956.13	7,608.64
Aggregate Amount of Unquoted Investments				2,969.66	3,006.69
Aggregate Provision for Diminution in the carrying amount of Investments				1,449.43	1,444.74

# In terms of the order passed by the Hon'ble High Court at Calcutta on 3rd March, 2015 sanctioning the reduction of paid up share capital of Rs 10/- per share to Re.0.15 per share, shareholding in Open Media Network Private Limited stand reduced and consolidated into 6,30,640 equity shares of ₹ 10/- fully paid up. Further, the Company have purchase 1,77,960 equity shares of ₹ 10 each from Rainbow Investments Limited. Also Refer Note 41(b).

(a) Acquired during the year 2012-13 pursuant to clause 3.8 of the agreement entered into between Saregama India Limited and Timbre Media Private Limited.

\* Investments made during the year 2014-15 in 1,67,58,000 equity shares of ₹ 10/- each through conversion of receivables from the investee company on sale of company's investment in shares for reason set out in Note 41(a).

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)

(₹ in Lacs)

**11. DEFERRED TAX ASSET/LIABILITIES**

The major components of Deferred Tax Assets are:-

Deferred Tax Asset on :-

Provisions for doubtful debts

625.71

610.37

Unamortised Expenditure allowable for tax purpose in subsequent years

321.85

45.31

on Depreciation

114.00

103.21

**TOTAL**

1,061.56

758.89

(₹ in Lacs)

**12. LONG TERM LOANS AND ADVANCES****Capital Advances**

Unsecured considered Good

33.59

10.50

Unsecured considered Doubtful

14.88

14.88

Less: Provision for Doubtful advances

14.88

-

14.88

-

**Security Deposits**

Unsecured considered Good

486.52

269.56

**Loan to Employees**

Unsecured considered Good

0.12

2.62

**TOTAL**

520.23

282.68

(₹ in Lacs)

**13. OTHER NON-CURRENT ASSETS**

Deposits with maturity more than 12 months

2.00

2.00

**TOTAL**

2.00

2.00

(₹ in Lacs)

**14. INVENTORIES [Refer Note:1(f)]**

Finished Goods

– Untelecasted Television Serials

83.60

479.87

– Others

13.06

96.66

-

479.87

**TOTAL**

96.66

479.87

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)

(₹ in Lacs)

**15. TRADE RECEIVABLES**

Unsecured

Outstanding for a period exceeding six months from the date they are due for payment

Considered Good

213.81

103.07

Considered Doubtful

1,771.78

1,716.42

Less: Provision for Doubtful Debts

1,771.78

-

1,716.42

-

Other Debts

Considered Good

4,700.79

5,702.21

Considered Doubtful

36.19

47.19

Less: Provision for Doubtful Debts

36.19

-

47.19

-

**TOTAL\***

4,914.60

5,805.28

\*include ₹ 448.44 lacs (net of provision ₹136.10 lacs) ;31.03.2015 - ₹467.94 lacs (net of provision ₹ 67.73 lacs) due from Saregama Plc (Subsidiary Company), ₹Nil (net of provision ₹Nil) ;31.03.2015 - ₹ 0.57 lacs (net of provision ₹Nil) due from RPG Global Music Ltd (Subsidiary Company).

(₹ in Lacs)

**16. CASH AND BANK BALANCES**

**A. Cash and Cash Equivalents**

Cash on Hand

4.21

4.75

Cheques on Hand

0.91

-

Bank Balances

– Current Accounts

666.09

383.44

– Unpaid Dividend Accounts @

5.40

4.99

– Demand Deposits with Banks (upto 3 months maturity)

1,700.00

-

**B. Other Bank Balances\***

– Deposits with maturity more than 3 months but less than 12 months

0.25

0.25

**TOTAL**

2,376.86

393.43

@ Earmarked for payment of unclaimed dividend

\* Excludes deposits ₹2.00 lacs (31.03.2015- ₹2 lacs) with maturity more than 12 months from the reporting period and shown under 'Other Non-Current Assets' (Note 13)

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)

(₹ in Lacs)

**17. SHORT TERM LOANS AND ADVANCES****(Unsecured, considered good unless otherwise stated)****Loans and Advances to Related Parties (Refer Note 37)**

Unsecured considered Good

Unsecured considered Doubtful

Less: Provision for Doubtful Loans and Advances

**Other Loans and Advances**

Minimum Guarantee Royalty Advances

**Royalty Advances**

Unsecured considered Good

Unsecured considered Doubtful

Less: Provision for Doubtful Advances

**Advance against TV Projects**

Unsecured considered Good

Unsecured considered Doubtful

Less: Provision for Doubtful Advances

**Loan to Employees****Balances with Government Authorities****Prepaid Expense**

Unsecured considered Good

Unsecured considered Doubtful

Less: Provision for Doubtful Prepaid Expense

**Advance to Artist / for Event**

Unsecured considered Good

Unsecured considered Doubtful

Less: Provision for Doubtful Advances

Advance payment of Income Tax and Tax Deducted at Source [net of Provision for Taxation ₹ 3,165.38 lacs; (31.03.15- ₹2,637.94 lacs)]

Advance payment of Fringe Benefit Tax (net of Provision ₹ 147.87 lacs : 31.03.2015- ₹147.87 lacs)

**TOTAL**

	As at 31st March, 2016	As at 31st March, 2015
		8.92
	2,107.80	946.16
	2,107.80	946.16
		-
	199.33	221.20
	296.72	322.57
	398.78	340.73
	398.78	340.73
		-
	5.51	145.63
	190.21	206.19
	190.21	206.19
		-
	14.10	7.46
	422.14	381.28
	328.56	180.27
	125.19	152.85
	125.19	152.85
		-
	24.31	15.88
	427.35	446.33
	427.35	446.33
		-
	3,827.88	3,362.90
	20.08	20.08
	5,138.63	4,666.19

(₹ in Lacs)

**18. OTHER CURRENT ASSETS**

Unsecured considered good

Interest accrued on deposits with banks

Unsecured considered Doubtful

Interest accrued on Loans to Related Parties

Less: Provision for Doubtful Loans

**TOTAL**

	As at 31st March, 2016	As at 31st March, 2015
	17.25	-
	-	53.75
	-	53.75
		-
	17.25	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)

(₹ in Lacs)

**19. REVENUE FROM OPERATIONS**

**Sale of Products**

Audio Compact Discs

265.74

216.77

Digital Versatile Discs

25.77

19.57

Others

16.28

307.79

14.90

251.24

Less: Excise Duty

0.03

0.08

307.76

251.16

**Sale of Services**

Income from Television Serials(including Free Commercial Time)

8,473.72

6,442.26

Licence Fees

12,663.95

11,468.28

Others

20.52

21,158.19

2.91

17,913.45

Other Operating Revenue

18.41

23.92

**TOTAL**

**21,484.36**

**18,188.53**

(₹ in Lacs)

**20. OTHER INCOME**

Liabilities/Provisions no longer required written back

127.35

401.93

Provision for Doubtful Debts/ Advances no longer required written back

237.02

64.21

Interest Income (Gross)

– on Bank Deposits

54.53

21.46

– on Security Deposits

2.48

2.41

– on Income Tax Refund

84.26

5.73

– on Intercompany Deposit/Loans

157.96

79.47

Dividend from Long Term (other than trade ) Investments

239.40

123.60

Profit on Sale of Tangible Fixed Assets

0.21

0.93

Rent Income

3.92

3.89

Net Gain on foreign currency transactions/ translation

81.71

-

Other Non-Operating Income

3.36

2.14

**TOTAL**

**992.20**

**705.77**

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)

(₹ in Lacs)

**21. CONTRACT MANUFACTURING CHARGES**

Contract Manufacturing Charges (Refer Note:21.1)

**TOTAL**

Year ended 31st March, 2016	Year ended 31st March, 2015
237.84	203.52
<b>237.84</b>	<b>203.52</b>

(₹ in Lacs)

**21.1 Details of Contract Manufacturing Charges**

Contract Manufacturing Charges

- Audio Compact Discs
- Digital Versatile Discs
- Others

**TOTAL**

Year ended 31st March, 2016	Year ended 31st March, 2015
196.47	182.05
18.64	16.90
22.73	4.57
<b>237.84</b>	<b>203.52</b>

(₹ in Lacs)

**22. COST OF PRODUCTION OF TELEVISION SERIALS AND PORTAL**

Cost of Production of Television Serials (Refer Note:22.1)

Cost of Portal Development

**TOTAL**

Year ended 31st March, 2016	Year ended 31st March, 2015
6,632.80	7,049.28
134.02	10.20
<b>6,766.82</b>	<b>7,059.48</b>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)

	(₹ in Lacs)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
<b>22.1 Details of Cost of Production of Television Serials</b>		
Telecast Fees	1,252.35	1,758.85
Payment to artistes, directors, script-writers, etc.	1,175.43	1,357.61
Cost of Tapes	0.12	0.54
Food, Lodging and Travel	296.89	391.61
Set, properties and equipment charges	210.57	399.70
Other Production Expenses	4,093.71	2,841.53
Increase / (Decrease) in Inventories of Television Serials	(396.27)	299.44
<b>TOTAL</b>	<b>6,632.80</b>	<b>7,049.28</b>

	(₹ in Lacs)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
<b>23. CHANGES IN INVENTORIES OF FINISHED GOODS</b>		
<b>Opening Stock</b>		
– Finished Goods - Untelecasted Television Serials	479.87	180.43
– Finished Goods - Audio Compact Discs, Digital Versatile Discs, etc.	-	24.77
	<b>479.87</b>	<b>205.20</b>
<b>Less: Closing Stock</b>		
– Finished Goods - Untelecasted Television Serials	83.60	479.87
– Finished Goods - Others	13.06	-
	<b>96.66</b>	<b>479.87</b>
<b>Net (Increase)/Decrease</b>	<b>383.21</b>	<b>(274.67)</b>

	(₹ in Lacs)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
<b>24. EMPLOYEE BENEFITS EXPENSE</b>		
Salaries and Wages	3,592.13	2,657.58
Contributions to:		
Provident Fund	100.31	88.90
Superannuation Fund	9.61	9.99
Gratuity Fund	157.56	61.27
Employee's State Insurance Scheme	6.14	4.70
	<b>273.62</b>	<b>164.86</b>
Staff Welfare Expenses	170.20	155.47
<b>TOTAL</b>	<b>4,035.95</b>	<b>2,977.91</b>

- 24.1** In keeping with the Company's gratuity scheme (a defined benefit plan-funded), eligible employees are entitled to gratuity benefit (at one half months eligible salary for each completed year of service) on retirement / death / incapacitation / resignation etc. Also refer Note 1 (g) for accounting policy relating to gratuity. Following are the further particulars with respect to gratuity.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)

	(₹ in Lacs)	
	2015-16	2014-15
<b>I. Reconciliation of opening and closing balances of the present value of the Defined Benefit Obligation</b>		
(a) Present Value of Obligation at the beginning of the year	554.76	533.50
(b) Current Service Cost	38.26	31.44
(c) Interest Cost	40.79	45.19
(d) Curtailment Cost	63.06	-
(e) Acquisitions Cost	-	0.04
(f) Actuarial Loss / (Gain)	55.13	34.56
(g) (Benefits Paid)	(63.73)	(89.97)
(h) Present Value of Obligation as at the end of the year	688.27	554.76
<b>II. Reconciliation of opening and closing balances of the fair value of Plan Assets</b>		
(a) Fair Value of Plan Assets at the beginning of the year	513.27	520.12
(b) Acquisitions Adjustment	-	0.24
(c) Expected Return on Plan Assets	50.99	45.73
(d) Actuarial Gain / (Loss)	(11.31)	3.99
(e) Contributions	133.62	33.16
(f) (Benefits Paid)	(63.73)	(89.97)
(g) Fair Value of Plan Assets as at the end of the year	622.84	513.27
<b>III. Reconciliation of the present value of Defined Benefit Obligation in 'I' above and the fair value of Plan Assets in 'II' above</b>		
(a) Present Value of Obligation as at the end of the year	688.27	554.76
(b) Fair Value of Plan Assets as at the end of the year	622.84	513.27
(c) Liability/(Asset) recognised in the Balance Sheet	65.43	41.49
<b>IV. Expense charged to the Statement of Profit and Loss</b>		
(a) Current Service Cost	38.26	31.44
(b) Interest Cost	40.79	45.19
(c) (Expected Return on Plan Assets)	(50.99)	(45.73)
(d) Curtailment Cost	63.06	-
(e) Acquisitions Cost	-	(0.20)
(f) Actuarial (Gain) / Loss	66.44	30.57
(g) Total expense charged to the Statement of Profit and Loss*	157.56	61.27
*reflected as 'Contribution to Gratuity Fund' in Note 24 on 'Employee Benefits Expense'		
<b>V. Percentage of each Category of Plan Assets to total Fair Value of Plan Assets as at Balance Sheet date</b>		
(a) Fund with Life Insurance Corporation of India	78%	74%
(b) NAV based Group Balanced Fund with ICICI Prudential Life Insurance Company Limited	11%	14%
(c) NAV based Group Short Term Debt Fund with ICICI Prudential Life Insurance Company Limited	5%	6%
(d) NAV based Group Debt Fund with ICICI Prudential Life Insurance Company Limited	6%	6%
<b>VI. Actual Return on Plan Assets</b>	39.68	49.72
<b>VII. Principal Actuarial Assumptions as at Balance Sheet date</b>		
(a) Discount Rate	7.70%	7.80%
(b) Expected Rate of Return on Plan Assets	8.00%	9.30%
(c) Salary Escalation	10.00%	8.50%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The expected rate of return on plan assets is based on the composition of plan assets held, assessed risks of asset management, historical results of the return on plan assets, the Company's policy for plan asset management and other relevant factors.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)

						(₹ in Lacs)
VIII Other Disclosures						
	2015-16	2014-15	2013-14	2012-13	2011-12	
a) Present value of the Obligation as at the end of the year	688.27	554.76	533.50	489.80	547.99	
b) Fair value of Plan Assets as at the end of the year	622.84	513.27	520.12	463.09	590.62	
c) (Surplus) / Deficit as at the end of the year	65.43	41.49	13.38	26.71	(42.63)	
d) Experience Adjustment on Plan Obligation [Gain / (Loss) ]	(24.03)	5.55	(25.03)	(2.31)	(1.45)	
e) Experience Adjustment on Plan Assets [Gain / (Loss) ]	(11.31)	3.99	(2.39)	(0.63)	0.75	

25. FINANCE COSTS  
Interest Expenses  
Other Borrowing Costs  
TOTAL

Year ended 31st March, 2016	Year ended 31st March, 2015
29.42	39.77
6.63	11.49
36.05	51.26

26. DEPRECIATION AND AMORTISATION EXPENSE  
Depreciation on Tangible Asset  
Amortisation on Intangible Asset  
TOTAL

Year ended 31st March, 2016	Year ended 31st March, 2015
248.26	274.99
277.76	263.88
526.02	538.87

26.1 During the year 2014-15, the company had charged depreciation in keeping with the requirements of Schedule II to the Companies Act, 2013. Consequently, the estimated useful lives of fixed assets had been revised, in keeping with the provisions of Schedule II to the Companies Act, 2013 effective 1st April, 2014. Pursuant to the said revision in useful lives, net book value aggregating ₹124.20 lacs (net of deferred tax ₹57.76 lacs) relating to fixed assets, where revised useful lives had expired by 31st March, 2014, was adjusted against opening balance as on 1st April, 2014 of General Reserve after considering ₹12.06 lacs transferred from Revaluation Reserve to General Reserve relating to the revalued assets.

27. OTHER EXPENSES

Consumption of Stores and Spare Parts	0.02	0.11
Power and Fuel	152.84	112.49
Rent	200.66	205.85
Repairs – Buildings	11.69	25.50
– Machinery	20.17	18.25
– Others	46.16	25.56
Royalties	1,698.35	1,574.04
Recording Expenses	768.68	269.69
Carriage, Freight and Forwarding Charges	1.85	7.35
Rates & Taxes	154.16	51.04
Insurance	8.12	5.93
Travel and Conveyance	427.00	442.23
Advertisement and Sales Promotion	1,731.85	1,080.48
Printing and Communication Expenses	392.14	265.49
Bad Debts/Advances written off	39.52	39.93
Provision for Doubtful debts and Advances [including Provision for Subsidiary company ₹1277.02 lacs (Previous year-₹ 887.07 lacs)]	1,384.70	1,051.07
Loss on disposal of Fixed Asset/Fixed Assets Scrapped	13.84	93.89
Legal/Consultancy Expenses	660.81	526.91
Net (Gain)/Loss on Foreign Currency Transactions and Translation	-	69.76
Contribution towards CSR (Refer Note 27.1)	54.00	54.00
Payment to Auditors (Refer Note 31)	54.69	50.94
Miscellaneous Expense	730.13	570.62
TOTAL	8,551.38	6,541.13

27.1 Corporate Social Responsibility Expenditure

(a) Gross Amount required to be spent by the company during the year	53.88	53.58
(b) Amount paid to RP-Sanjiv Goenka Group CSR trust towards purposes other than construction/acquisition of assets ₹ 54 lacs (previous year ₹ 54 lacs)		

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)

			(₹ in Lacs)	
	Year ended 31st March, 2016		Year ended 31st March, 2015	
<b>28. EXCEPTIONAL ITEMS</b>				
Investment Write off	-		4,141.20	
Provision for Investment Write back	(40.81)	(40.81)	(3,204.26)	936.94
Profit on Sale of Long Term Investments		-		(943.12)
Provision for Diminution in carrying amount of Investments		45.50		267.57
Payment under Voluntary Retirement Scheme		955.40		-
<b>TOTAL</b>		<b>960.09</b>		<b>261.39</b>

- 28.1** As a part of restructuring activities undertaken by OMNPL during the year 2013-14, advances aggregating ₹3203.26 lacs have been considered as contributions for investments in equity shares of OMNPL. Upon conversion of advances into Investments, the provision for doubtful advances was written back and provision for diminution in value of investments was created to recognise decline, other than temporary, in the carrying amount of company's long term investments in OMNPL's Publication business. During the year 2014-15, face value per share of OMNPL of ₹10/- each has been reduced to Re 0.15/- per share. The above reduction has been sanctioned by the Hon'ble Calcutta High Court on 3rd March, 2015.

Such reduction of share capital by OMNPL, has resulted in write off of ₹4141.20 lacs, being amount of investments in equity shares of OMNPL. Accordingly, the carrying amount of provision for diminution in value of investments in OMNPL of ₹3204.26 lacs has been written back. Further, the Hon'ble High Court at Calcutta, has also approved consolidation of equity shares of OMNPL of Re. 0.15 each into equity share of ₹10/- each.

- 29.** Capital commitments (net of advances of ₹17.42 lacs; 31.03.15 - ₹25.38 lacs) as at 31st March, 2016 are estimated at ₹26.92 lacs (31.03.15 - ₹45.68 lacs).

- 30.** Contingent liabilities in respect of -

			(₹ in Lacs)	
	As at 31st March, 2016		As at 31st March, 2015	
(i) Guarantees given by Banks		-		1.50
(ii) Claims against the Company not acknowledged as debts in respect of -				
- Copyright Matters		20.00		20.00
- Income Tax Matters		1,934.68		1,532.76
- Sales Tax /Value Added Tax / Entry Tax Matters		533.50		588.37
- Excise Duty Matters		112.16		112.16
- Custom Duty Matters		266.75		266.75

- 31.** Amount paid/payable to Auditors :

			(₹ in Lacs)	
	Year ended 31st March, 2016		Year ended 31st March, 2015	
As Auditors -				
- Audit Fees for Standalone Financial Statements		25.00		24.00
- Audit Fees for Consolidated Financial Statements		6.25		6.25
- Tax Audit		6.00		5.50
- Limited Reviews		11.25		11.25
- Others [certificates, etc.]		5.50		3.00
Reimbursement of Expenses (excluding Service tax ₹7.19 Lacs; previous years - ₹5.93 Lacs)		0.69		0.94

- 32.1** The Company has adopted the intrinsic value method in keeping with the applicable regulatory pronouncements for accounting the stock options granted as referred to in Note 2.6, which has no impact on the financial results of the Company. Had the fair value method been used in keeping with the said pronouncements, net profit for the year would have been lower by about ₹3.97 lac (Previous Year ₹1.94 lac), without any significant impact on basic and diluted earning per share.

- 32.2 Basic and Diluted Earnings per Share :**

	Year ended 31st March, 2016		Year ended 31st March, 2015	
Number of equity shares at the beginning of the year		17,402,938		17,402,938
Number of equity shares at the end of the year		17,402,938		17,402,938
Weighted average number of equity shares outstanding during the year (A)		17,402,938		17,402,938
Weighted average number of potential equity shares on account of employee stock options (B)		19,048		11,892
Weighted average number of equity shares for computing diluted earnings per share [C= (A+B)]		17,421,986		17,414,830
Nominal value of each equity share (₹)		10		10
Profit after tax available for equity shareholders (₹ in Lacs) [D]		754.43		1,568.51
Basic earnings per share (₹.) [D/A]		4.34		9.01
Diluted earnings per share (₹.) [D/C]		4.33		9.01

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)**

**33. Value of Imported and Indigenous Raw Materials, Stores, Spare Parts and Components consumed during the year :**

	Year ended 31st March, 2016				Year ended 31st March, 2015			
	Raw materials		Stores, Spare Parts & Components		Raw materials		Stores, Spare Parts & Components	
	(₹ in Lacs)	%	(₹ in Lacs)	%	(₹ in Lacs)	%	(₹ in Lacs)	%
Imported	—	—	—	—	—	—	—	—
Indigenous	—	—	0.02	100.00	—	—	0.11	100.00
			0.02		—	—	0.11	

**34. Expenditures in Foreign Currency :**

(₹ in Lacs)

	Year ended 31st March, 2016	Year ended 31st March, 2015
Royalties	13.57	6.06
Advertisement Expense	203.13	-
Others	15.34	9.88
	232.04	15.94

**35. Earnings in Foreign Exchange :**

(₹ in Lacs)

	Year ended 31st March, 2016	Year ended 31st March, 2015
Licence Fees	4,687.07	3,019.43
	4,687.07	3,019.43

**36.1** Rent expenditure includes lease payments of ₹151.93 lacs (previous year - ₹156.53 Lacs) relating to operating leases taken on or after 1st April, 2001. These leasing arrangements range from less than an year to ten years and are primarily in respect of accommodation for employees / office premises. The significant leasing arrangements inter alia include escalation clause and option for renewal.

**36.2** Rent income includes sub-lease payments of ₹3.92 Lacs (previous year - ₹ 3.89 Lacs) for the year relating to sub-lease agreements entered into by the Company on or after 1st April, 2001. These lease arrangements inter alia include escalation clause/option for renewal.

**37. Related Party Disclosures in keeping with Accounting Standard (AS) 18 notified in the Companies Act, 1956**

Name of Related Party	Current Year	Previous Year	Nature of Relationship
<b>A Where control exists</b>	Rainbow Investments Limited. ( RIL )	Rainbow Investments Limited. ( RIL ) [Refer Note 2.4(ii)]	Holding Company and an enterprises to the Company in terms of Para 3(e) of Accounting Standard 18 [From 8th July, 2014]
	Saregama Plc. ( SPLC )	Saregama Plc. ( SPLC )	Subsidiary Company
	RPG Global Music Limited (RPGG)	RPG Global Music Limited (RPGG)	Subsidiary Company
	Kolkata Metro Networks Ltd (KMNL)	Kolkata Metro Networks Ltd (KMNL)	Subsidiary Company
	Open Media Network Pvt. Ltd (OMNPL)	Open Media Network Pvt. Ltd (OMNPL)	Subsidiary Company
<b>B Others with whom transactions have taken place</b>	Saregama Regency Optimedia Private Ltd (SROPL)	Saregama Regency Optimedia Private Ltd (SROPL)	Joint Venture Company
	Vikram Mehra (Managing Director)	Vikram Mehra* (Managing Director)	Key Management Personnel
		S.Mantha** (Managing Director)	Key Management Personnel
	G.B.Aayeer (Executive Director)	G.B.Aayeer (Executive Director)	Key Management Personnel
	Mr. Sanjiv Goenka	Mr. Sanjiv Goenka (From 8th July, 2014)	Chairman
	Mrs. Preeti Goenka		Relative of Mr. Sanjiv Goenka
	Mrs. Sushila Goenka		Relative of Mr. Sanjiv Goenka
	Mrs. S.G.Aayeer		Relative of Mr. G. B. Aayeer

\* Joined with effect from 27th October, 2014

\*\* Resigned with effect from 24th April, 2014

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)

## Related Party Transactions

(₹ in Lacs)

Nature of Transactions		Holding Company and an enterprise related to the Company in terms of Para 3 (e) of Accounting Standard-18	Subsidiary Companies				Joint Venture		Key Management Personnel	Relative of Mr.G.B.Aayeer	Chairman	Relative of Mr.Sanjiv Goenka
			SPLC	RPGG	KMNL	OMNPL	SROPL	Total				
Licence Fees - Income	Current Year	-	535.25	1.13	-	-	-	536.38	-	-	-	-
	Previous Year	-	632.34	3.24	-	-	-	635.58	-	-	-	-
Interest Income	Current Year	-	-	-	12.45	145.51	-	157.96	-	-	-	-
	Previous Year	-	7.39	0.20	18.13	53.75	-	79.47	-	-	-	-
Cost of Production Events (Misc Expense)	Current Year	-	-	-	-	-	-	-	-	-	-	-
	Previous Year	-	-	-	-	12.00	-	12.00	-	-	-	-
Advertisement and Sales Promotion	Current Year	-	-	-	-	7.32	-	7.32	-	-	-	-
	Previous Year	-	-	-	-	17.63	-	17.63	-	-	-	-
Reimbursement of Expense Paid/ Payable	Current Year	-	-	-	-	-	-	-	-	-	-	-
	Previous Year	-	0.49	-	-	-	-	0.49	-	-	-	-
License Fees - Expense	Current Year	-	-	-	60.84	-	-	60.84	-	-	-	-
	Previous Year	-	-	-	60.19	-	-	60.19	-	-	-	-
Reimbursement of Expense received/receivable	Current Year	-	-	-	-	-	-	-	-	-	-	-
	Previous Year	-	0.53	2.36	-	0.21	-	3.10	-	-	-	-
Dividend Paid	Current Year	154.37	-	-	-	-	-	154.37	-	-	-	-
	Previous Year	-	-	-	-	-	-	-	-	-	-	-
<b>Remuneration to Managerial Personnel</b>												
Mr.Vikram Mehra	Current Year	-	-	-	-	-	-	489.92	-	-	-	-
	Previous Year	-	-	-	-	-	-	152.73	-	-	-	-
Mr.G.B.Aayeer	Current Year	-	-	-	-	-	-	133.07	-	-	-	-
	Previous Year	-	-	-	-	-	-	142.34	-	-	-	-
Mr.S.Mantha	Current Year	-	-	-	-	-	-	-	9.94	-	-	-
	Previous Year	-	-	-	-	-	-	-	-	-	-	-
<b>Payment to Relative of Key Managerial Personnel</b>												
Car lease Rental												
Mrs S.G.Aayeer	Current Year	-	-	-	-	-	-	-	-	3.64	-	-
	Previous Year	-	-	-	-	-	-	-	-	-	-	-
<b>Rent Expenses</b>												
Mrs Preeti Goenka	Current Year	-	-	-	-	-	-	-	-	-	-	5.40
	Previous Year	-	-	-	-	-	-	-	-	-	-	-
<b>Sitting Fees</b>												
Mr. Sanjiv Goenka	Current Year	-	-	-	-	-	-	-	-	-	0.60	-
	Previous Year	-	-	-	-	-	-	-	-	-	0.80	-
Mrs.Preeti Goenka	Current Year	-	-	-	-	-	-	-	-	-	-	0.20
	Previous Year	-	-	-	-	-	-	-	-	-	-	-
Mrs.Sushila Goenka	Current Year	-	-	-	-	-	-	-	-	-	-	0.20
	Previous Year	-	-	-	-	-	-	-	-	-	-	-
Investment made (Refer Note 10)	Current Year	-	-	-	-	-	-	-	-	-	-	-
	Previous Year	-	-	-	1,700.00	-	-	1,700.00	-	-	-	-
Sale of Investment	Current Year	-	-	-	-	-	-	-	-	-	-	-
	Previous Year	-	-	-	1,675.80	-	-	1,675.80	-	-	-	-
Purchase of Shares	Current Year	-	-	-	-	-	-	-	-	-	-	-
	Previous Year	17.80	-	-	-	-	-	17.80	-	-	-	-
Loans and Advances given	Current Year	-	-	-	7.27	1,201.38	-	1,208.65	-	-	-	-
	Previous Year	-	299.03	-	14.33	826.16	-	1,139.52	-	-	-	-
Receipt towards Loans and Advances given	Current Year	-	8.92	-	47.01	-	-	55.93	-	-	-	-
	Previous Year	-	298.48	-	20.01	-	-	318.49	-	-	-	-
Receipt towards Other Current Assets	Current Year	-	-	-	-	53.75	-	53.75	-	-	-	-
	Previous Year	-	-	-	-	-	-	-	-	-	-	-
Recovery of Debts	Current Year	-	486.38	1.70	-	-	-	488.08	-	-	-	-
	Previous Year	-	753.47	2.67	-	-	-	756.14	-	-	-	-
Provision for Doubtful Debts and Advances made	Current Year	-	68.37	-	7.27	1,201.38	-	1,277.02	-	-	-	-
	Previous Year	-	-	-	7.16	879.91	-	887.07	-	-	-	-
Provision for Diminution in the Carrying amount of Investment made	Current Year	-	42.83	-	-	2.67	-	45.50	-	-	-	-
	Previous Year	-	-	-	186.71	80.86	-	267.57	-	-	-	-
Investment write off	Current Year	-	-	-	-	-	-	-	-	-	-	-
	Previous Year	-	-	-	-	4,141.20	-	4,141.20	-	-	-	-
Provision for Diminution in the value of Investment written back	Current Year	-	-	-	40.81	-	-	40.81	-	-	-	-
	Previous Year	-	-	-	-	3,204.26	-	3,204.26	-	-	-	-
Provision for Doubtful Debts and Advances written back	Current Year	-	-	-	47.01	53.75	-	100.76	-	-	-	-
	Previous Year	-	119.92	-	-	-	-	119.92	-	-	-	-
Balance Outstanding at year end :												
Non-Current Investments @	Current Year	-	51.65	1,026.20	1,705.00	83.53	145.97	3,012.35	-	-	-	-
	Previous Year	-	48.52	1,026.20	1,705.00	80.86	145.97	3,006.55	-	-	-	-
Short Term Loans and Advances @	Current Year	-	-	-	80.26	2,027.54	-	2,107.80	-	-	-	-
	Previous Year	-	8.92	-	120.00	826.16	-	955.08	-	-	-	-
Other Current Assets @	Current Year	-	-	-	-	-	-	-	-	-	-	-
	Previous Year	-	-	-	-	53.75	-	53.75	-	-	-	-
Trade Receivables@	Current Year	-	584.54	-	-	-	-	584.54	-	-	-	-
	Previous Year	-	535.67	0.57	-	-	-	536.24	-	-	-	-
Provision for Doubtful Loans and Advances and Accrued Interest	Current Year	-	-	-	80.26	2,027.54	-	2,107.80	-	-	-	-
	Previous Year	-	-	-	120.00	879.91	-	999.91	-	-	-	-
Provision for diminution in the carrying amount of investments	Current Year	-	42.83	1,026.20	150.90	83.53	145.97	1,449.43	-	-	-	-
	Previous Year	-	-	1,026.20	191.71	80.86	145.97	1,444.74	-	-	-	-
Provision for Doubtful Debts	Current Year	-	136.10	-	-	-	-	136.10	-	-	-	-
	Previous Year	-	67.73	-	-	-	-	67.73	-	-	-	-
Remuneration Payable : Mr.Vikram Mehra	Current Year	-	-	-	-	-	-	-	184.88	-	-	-
	Previous Year	-	-	-	-	-	-	-	-	-	-	-

@ Gross of Provision.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)**

**37.1** The Company has applied to the Central Government seeking approval for managerial remuneration paid/payable for the year ended 31st March, 2016, aggregating ₹304.29 Lacs in excess of the limits specified in Section 197 read with Schedule V of the Companies Act, 2013, response to which is awaited.

**38.** The Company's interest as a venturer in the jointly controlled entity (incorporated joint venture) is :-

Name	Country of Incorporation	Proportion of ownership interest as at 31st March, 2016	Proportion of ownership interest as at 31st March, 2015
Saregama Regency Optimedia Private Limited	India	26%	26%

The Company's interest in the joint venture is reported as Non Current Investments (Note 10) and stated at cost less write down. The Company's share of each of the assets, liabilities, income and expenses (each without elimination of the effect of transactions between the Company and Joint Venture) related to its interest in the joint venture are:-

(₹ in Lacs)

**EQUITY AND LIABILITIES**

**Shareholders' Funds**

**Reserves and Surplus**

Capital Reserve	9.73	9.73
Foreign Currency Translation Reserve	-	-
Surplus/(Deficit) in the Statement of Profit and Loss	(263.49)	(231.94)

**Current Liabilities**

Short Term Borrowings	66.03	54.16
Trade Payables	41.41	23.93
Other Current Liabilities	10.98	9.42
Short Term Provisions	-	-
	<u>(135.34)</u>	<u>(134.70)</u>

**ASSETS**

**Current Assets**

Inventories	-	-
Trade Receivables	-	-
Cash and Bank Balances	1.14	1.26
Short-term Loans and Advances	9.49	10.01
	<u>10.63</u>	<u>11.27</u>

(₹ in Lacs)

Other Income

**Expenses:**

Employee Benefits Expense	-	1.78
Finance Costs	11.91	9.15
Other Expenses	19.68	16.86
Exceptional Items	-	34.09
	<u>31.59</u>	<u>61.88</u>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)

39. The Company has following un-hedged exposures in foreign currencies

	Year ended 31st March, 2016	Year ended 31st March, 2016	Year ended 31st March, 2015	Year ended 31st March, 2015
	Foreign Currency (in lacs)	Amount (₹ lacs)	Foreign Currency (in lacs)	Amount (₹ lacs)
Trade Receivables	GBP 6.15	584.54	GBP 5.79	535.67
Trade Receivables	USD 6.27	415.96	USD 2.60	161.66
Trade Receivables	SAR 0.06	1.10	SAR 0.04	0.63
Trade Receivables	LKR 53.31	23.29	LKR 9.67	4.44
Trade Receivables	NPR 0.05	0.03	NPR 0.05	0.03
Trade Receivables	SGD 0.01	0.48	-	-
Short Term Loans & Advances	-	-	GBP 0.10	8.92
Trade Payables	USD 0.48	31.72	-	-

40. In terms of Accounting Standard (AS) 17 on 'Segment Reporting' notified in the Companies Act, segment information has been presented in the Consolidated Financial Statements (prepared pursuant to Accounting Standard (AS) 21 on 'Consolidated Financial Statements' and Accounting Standard (AS) 27 on 'Financial Reporting of Interests in Joint Ventures' notified in the Companies Act) included in the Annual Report for the year.
41. (a) The Company has infused fresh equity of ₹ Nil (2014-15 ₹ 1700 lacs) and provided loans and advances [repayable on demand at the interest rate of 10.95 % p.a. (2014-15 - 14.25% p.a.)] of ₹ 7.27 lacs (2014-15 - advances ₹ 14.33 lacs) during the year in / to its subsidiary, Kolkata Metro Networks Limited for events business and financial assistance.
- (b) The Company has invested in equity of ₹ 2.67 lacs (2014-15 ₹ 17.80 lacs) and provided loans and advances [repayable on demand at the interest rate of 10.95 % p.a. (2014-15 - 14.25% p.a.)] of ₹ 1201.38 lacs (2014-15 ₹ 826.16 lacs) during the year in / to its subsidiary Open Media Network Private Limited for financial assistance.
42. Current Tax provision is net of Minimum Alternate Tax (MAT) credit ₹ 452.32 lacs (2014-15 ₹ 996.03 lacs) relating to earlier years based on income tax computation set out in accounting policy [Note 1 (m)] and Company's Return of Income.
43. Previous year's figures have been regrouped or rearranged, where considered necessary, to conform to current year's classification.

Signature to note 1 to 43

For Price Waterhouse  
Firm Registration No. 301112 E  
Chartered Accountants  
(Pinaki Chowdhury)  
Partner  
Membership No. - 057572

Kolkata,  
25th May, 2016

On behalf of the Board

T. Paul  
Company Secretary

V. Mehra  
Managing Director  
DIN - 03556680

G. B. Aayeer  
Chief Financial Officer & Director  
DIN - 00087760

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

(₹ in Lacs)

	Year ended 31st March, 2016	Year ended 31st March, 2015
<b>A. Cash Flow from Operating Activities</b>		
Profit Before Tax	979.20	1,535.41
Adjustments for:		
Depreciation and Amortisation Expenses	526.02	538.87
Provision for Doubtful Debts/Advances	1,384.70	1,051.07
Exceptional Items (Refer Note 28)	4.69	261.39
Finance Cost	36.05	51.26
Liabilities/Provisions no longer required written back	(127.35)	(401.93)
Provision for Doubtful Debts/ Advances no longer required written back	(237.02)	(64.21)
Interest Income	(214.97)	(103.34)
Bad debt/Advance written off	39.52	39.93
Loss on Disposal of Fixed Assets/Fixed Assets scrapped	13.84	93.89
Profit on sale of Trangible Fixed Assets	(0.21)	(0.93)
Dividend from Long Term Investments-Other than Trade	(239.40)	(123.60)
	<b>1,185.87</b>	<b>1,342.40</b>
<b>Operating profit before Working Capital Changes</b>	<b>2,165.07</b>	<b>2,877.81</b>
<b>Changes in Working Capital:-</b>		
Increase in Trade Payables	299.11	364.64
Increase in Provisions	696.72	538.24
Increase in Other Current Liabilities	954.54	220.14
(Decrease) in Other Long Term Liabilities	-	(18.01)
Decrease/(Increase) in Trade Receivables	806.80	(1,861.70)
Decrease/ (Increase) in Inventories	383.21	(274.67)
(Increase) in Loans and Advances	(1,378.99)	(793.38)
Decrease in other non-current Assets	-	0.25
	<b>1,761.39</b>	<b>(1,824.49)</b>
<b>Cash generated from operations</b>	<b>3,926.46</b>	<b>1,053.32</b>
Direct Taxes (net of refund)	(1,022.42)	(867.53)
<b>Net cash generated from Operating Activities</b>	<b>2,904.04</b>	<b>185.79</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(629.43)	(340.05)
Sale of Fixed assets	0.42	119.83
Interest Received	251.47	49.59
Dividend from Long Term Investments-Other than Trade	239.40	123.60
Investment made in subsidiaries	(5.80)	(42.00)
<b>Net cash (used in) Investing Activities</b>	<b>(143.94)</b>	<b>(89.03)</b>

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)**

	(₹ in Lacs)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
<b>C. Cash Flow from Financing Activities</b>		
Repayment of Long Term Borrowings	-	(161.75)
Decrease in Cash Credit facilities from banks	(362.46)	(103.70)
Repayment of Short Term Borrowings	(67.50)	(7.50)
Interest paid	(26.31)	(33.99)
Other borrowing costs paid	(6.63)	(11.49)
Dividend Paid	(260.63)	(259.24)
Dividend Distribution Tax Paid	(53.14)	(44.36)
<b>Net cash (used in) Financing Activities</b>	<b>(776.67)</b>	<b>(622.03)</b>
<b>Net Increase in cash and cash equivalents (A+B+C)</b>	<b>1,983.43</b>	<b>(525.27)</b>
Cash and Cash Equivalents at the beginning of the year	<b>393.18</b>	<b>918.45</b>
Cash and Cash Equivalents at the end of the year	<b>2,376.61</b>	<b>393.18</b>

**Notes to the Cash Flow Statement for the year ended 31st March, 2016**

- The above Cash Flow Statement has been prepared under the Indirect Method as set out in the Accounting Standard 3 on 'Cash Flow Statements' prescribed under the Companies Act of India.
- Cash and cash equivalents comprise of :-

	(₹ in Lacs)	
	As at 31st March, 2016	As at 31st March, 2015
Cash on hand	4.21	4.75
Cheques on hand	0.91	-
Bank Balances	666.09	383.44
Demand Deposits with Banks (up to 3 months maturity)	1,700.00	-
Unpaid Dividend @	5.40	4.99
<b>TOTAL</b>	<b>2,376.61</b>	<b>393.18</b>

@ Represents not available for use by the Company.

- The above Cash Flow Statements does not include conversion of advances/receivables amounting to ₹ Nil (2014-15 - ₹ 1,675.80 lacs) into investment in equity shares of subsidiaries, being non cash transaction (Refer Note 10).
- Previous year's figures have been regrouped / rearranged, where considered necessary.  
This is the Cash Flow Statement referred to in our report of even date.

For Price Waterhouse  
Firm Registration No. 301112 E  
Chartered Accountants  
(Pinaki Chowdhury)  
Partner  
Membership No. - 057572

Kolkata,  
25th May, 2016

On behalf of the Board

T. Paul  
Company Secretary

V. Mehra  
Managing Director  
DIN - 03556680

G. B. Aayeer  
Chief Financial Officer & Director  
DIN - 00087760

**INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SAREGAMA INDIA LIMITED**
**To the Members of Saregama India Limited**

1. We have audited the accompanying consolidated financial statements of Saregama India Limited ("hereinafter referred to as the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), and its jointly controlled entity; (refer Note 29 to the attached consolidated financial statements), comprising of the consolidated Balance Sheet as at March 31, 2016, the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Financial Statements").

**Management's Responsibility for the Consolidated Financial Statements**

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its jointly controlled entity in accordance with accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of Consolidated Financial Statements. The respective Board of Directors of the companies included in the Group and of its jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its jointly controlled entity and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

**Auditors' Responsibility**

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in subparagraph 9 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

**Opinion**

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by 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 including jointly controlled entity as at March 31, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

**Emphasis of Matter**

8. We draw your attention to Note 35.1 to the consolidated financial statements regarding managerial remuneration paid/ provide aggregating ₹ 304.29 lacs for the year ended March 31, 2016 in excess of the limits specified in Section 197 read with Schedule V of the Act. The Management of the Holding Company has made necessary application to the Central Government seeking its approval and response to which is awaited. Our opinion is not qualified in respect of this matter.

**Other Matter**

9. We did not audit the financial statements/financial information of four subsidiaries and one jointly controlled entity whose financial statements/ financial information reflect total assets of ₹ 1,389.55 lacs and net assets of ₹ 543.52 lacs as at March 31, 2016, total revenue of ₹ 1,703.20 lacs, net loss of ₹ 419.91 lacs and net cash flows amounting to ₹ 26.68 lacs for the year ended on that date, as considered in the consolidated financial

**INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

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 insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entity and our report in terms of sub-sections (3) of Section 143 of the Act insofar as it relates to the aforesaid subsidiaries and jointly controlled entity is based solely on the reports of the other auditors.

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**

10. As required by Section 143(3) of the Act, 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 maintained by the Holding Company, its subsidiaries included in the Group, and jointly controlled entity incorporated in India including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company, its subsidiaries included in the Group, and jointly controlled entity incorporated in India including relevant records relating to the preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and jointly controlled entity incorporated in India, none of the directors of the Group companies, and jointly controlled entity incorporated in India is disqualified as on March 31, 2016 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 over financial reporting of the Holding Company, its subsidiary companies and jointly controlled entity, incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- (g) 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 :
  - i. The consolidated financial statements disclose the impact, if any, of pending litigations as at March 31, 2016 on the consolidated financial position of the Group, and its jointly controlled entity - Refer Note 31 to the consolidated financial statements.
  - ii. There were no material foreseeable losses on the Group's and its jointly controlled entity's long-term contracts as at March 31, 2016. The Group and its jointly controlled entity did not have any derivative contracts as at March 31, 2016.
  - iii. The instances of delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company incorporated in India during the year ended March 31, 2016 are as follows :

Amount (₹ Lacs)

Dividend relating to financial year 2007-08	1.28
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There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company's, and its subsidiary companies and jointly controlled entity incorporated in India during the year ended March 31, 2016.

Kolkata  
25th May, 2016

For Price Waterhouse  
Firm Registration Number: 301112E  
Chartered Accountants

Pinaki Chowdhury  
Partner  
Membership Number - 057572

## ANNEXURE TO INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENT

### Annexure A to the Independent Auditors' Report

**Referred to in paragraph 10(f) of the Independent Auditors, Report of even date to the members of Saregama India Limited on the consolidated financial statements for the year ended March 31, 2016**

#### Report on the Internal financial Controls under Clause (i) of sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of Saregama India Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies and Jointly controlled entity, which are companies incorporated in India, as of that date.

#### Management's Responsibility for Internal Financial controls

2. The respective Board of Directors of the Holding company, its subsidiary companies and jointly controlled entity, which are companies incorporate in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting 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 (ICAI). 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 Act.

#### Auditor's Responsibility

3. Our responsibility is to express an opinion on the Holding company's and its subsidiary companies' and joint controlled entity's incorporated in India, internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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 over financial reporting was establishment and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit on the Holding Company's and its subsidiary companies' and joint controlled entity's, incorporated in India, internal financial controls system over financial reporting.

#### Meaning of Internal financial controls Over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transaction 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 authorizations 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.

#### Inherent Limitations of Internal Financial controls Over financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**ANNEXURE TO INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENT (Contd.)**

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**Opinion**

8. In our opinion, the Holding Company, its subsidiary companies and jointly controlled entity, which are companies incorporated in India, have in all material respects, an adequate internal financial controls system over financial reporting and internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial 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.

**Other Matters**

9. Our aforesaid reports under Section 143(3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to two subsidiary companies and one jointly controlled entity which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not qualified in respect of this matter.

Kolkata  
25th May, 2016

For Price Waterhouse  
Firm Registration Number: 301112E  
*Chartered Accountants*

Pinaki Chowdhury  
*Partner*  
Membership Number - 057572

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2016

			(₹ in Lacs)
	Note	As at 31st March, 2016	As at 31st March, 2015
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders ' Funds</b>			
Share Capital	2	1,740.29	1,740.29
Reserves and Surplus	3	15,660.60	15,038.51
Minority Interest		213.57	265.56
<b>Non Current Liabilities</b>			
Long Term Provisions	4	162.92	166.91
<b>Current Liabilities</b>			
Short Term Borrowings	5	361.58	779.67
Trade Payables	6		
a) Total outstanding dues of micro enterprises and small enterprises		0.56	0.75
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		3,018.89	2,751.88
Other Current Liabilities	7	2,800.44	1,854.92
Short Term Provisions	8	2,745.67	2,116.19
		<b>26,704.52</b>	<b>24,714.68</b>
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Fixed Assets	9		
Tangible Assets		7,751.40	7,614.57
Intangible Assets		715.00	763.93
Non-Current Investments	10	3,972.12	3,972.12
Deferred Tax Assets (net)	11	1,061.56	758.89
Long-term Loans and Advances	12	653.08	348.19
Other Non Current Assets	13	2.00	2.00
<b>Current Assets</b>			
Inventories	14	127.39	536.34
Trade Receivables	15	4,605.26	5,418.86
Cash and Bank Balances	16	2,595.95	581.94
Short-Term Loans and Advances	17	5,203.51	4,717.84
Other Current Assets	18	17.25	-
		<b>26,704.52</b>	<b>24,714.68</b>

The Notes are an integral part of these Financial Statements

This is the Consolidated Balance Sheet referred to in our report of even date

For Price Waterhouse  
Firm Registration No. 301112 E  
Chartered Accountants  
(Pinaki Chowdhury)  
Partner  
Membership No. - 057572

Kolkata,  
25th May, 2016

T. Paul  
Company Secretary

On behalf of the Board

V. Mehra  
Managing Director  
DIN - 03556680

G. B. Aayeer  
Chief Financial Officer & Director  
DIN - 00087760

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2016

(₹ in Lacs)

	Note	Year ended 31st March, 2016	Year ended 31st March, 2015
Revenue from Operations (Gross)	19	22,168.02	18,653.37
Less: Excise Duty		0.03	0.08
Revenue from Operations (Net)		22,167.99	18,653.29
Other Income	20	1,216.67	1,113.79
<b>Total Revenue</b>		<b>23,384.66</b>	<b>19,767.08</b>
Expenses:			
Cost of Materials Consumed and Contract Manufacturing Charges	21	351.59	313.22
Cost of Production of Television Serials and Portal	22	6,766.82	7,059.48
Changes in Inventories of Finished Goods [(Increase)/Decrease]	23	383.21	(207.59)
Employee Benefits Expense	24	4,927.40	3,747.45
Finance Costs	25	47.96	60.39
Depreciation and Amortisation Expense	26	544.45	626.79
Other Expenses	27	8,292.98	6,657.48
<b>Total Expenses</b>		<b>21,314.41</b>	<b>18,257.22</b>
<b>Profit Before Exceptional Items and Tax</b>		<b>2,070.25</b>	<b>1,509.86</b>
Exceptional Items	28	1,158.88	911.68
<b>Profit Before Tax and Minority Interests</b>		<b>911.37</b>	<b>598.18</b>
Tax Expenses :			
Current Tax		527.44	-
Deferred Tax Charge/(Credit)		(302.67)	(28.32)
<b>Profit After Tax and Before Minority Interests</b>		<b>686.60</b>	<b>626.50</b>
<b>Allocation for the period</b>			
Minority Interest (Refer Note 38)		3.12	(50.22)
<b>Profit After Tax and Minority Interests attributable to Owners of the Parent</b>		<b>683.48</b>	<b>676.72</b>
Earnings per Equity Share:	33.2		
[Nominal Value per share ₹ 10/- (Previous Year- ₹ 10/-) ]			
Basic (₹)		3.93	3.89
Diluted (₹)		3.92	3.89

The Notes are an integral part of these Financial Statements

This is the Consolidated Statement of Profit and Loss referred to in our report of even date

For Price Waterhouse  
Firm Registration No. 301112 E  
Chartered Accountants  
(Pinaki Chowdhury)  
Partner  
Membership No. - 057572

Kolkata,  
25th May, 2016

On behalf of the Board

T. Paul  
Company Secretary

V. Mehra  
Managing Director  
DIN - 03556680

G. B. Aayeer  
Chief Financial Officer & Director  
DIN - 00087760

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS for the Year Ended 31st March, 2016**

**1 Significant Accounting Policies**

**(a) Basis of the Preparation of the Financial Statements**

These Consolidated Financial Statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis, except for certain Tangible Fixed Assets which are being carried at revalued amounts (as indicated in Notes 9.1,9.2,9.3 and 9.4). Pursuant to section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, till the standards of Accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these consolidated financial statements are prepared to comply in all material aspects, with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules 2006 as amended] and the other relevant provisions of the Companies Act, 2013. Also Refer Note 39

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. 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.

**(b) Use of Estimates**

The preparation of the consolidated financial statements in conformity with the generally accepted accounting principles in India requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities as at the balance sheet date, the reported amount of revenue and expenses for the period and disclosure of contingent liability as at the balance sheet date. The estimates and assumptions used in the consolidated financial statements are based upon managements' evaluation of the relevant facts and circumstances as of the date of the consolidated financial statements. Actual results could differ from estimates.

**(c) Fixed Assets**

**(i) Tangible Assets**

Tangible Assets are stated at their original cost less depreciation, where applicable, other than revalued items which are stated at valuation less depreciation, where applicable as referred to in Notes 9.1,9.2,9.3 and 9.4.

Impairment loss is recognised wherever the carrying amount of tangible assets of a cash generating unit exceeds its recoverable amount (i.e. higher of net selling price and value in use).

**(ii) Intangible Assets**

The cost incurred for producing / purchasing feature films wherein future economic benefits are established to accrue over medium to long term period are recognised as intangible asset in the year of release at 50% of the cost of making the film including negatives or purchase cost.

Outright acquisition of music copyrights wherein future economic benefits are established are capitalised.

Softwares are capitalised where it is expected to provide future enduring economic benefits. Capitalisation costs includes license fees and cost of implementation / system integration services. The costs are capitalised in the year in which the relevant software is implemented for use.

Impairment loss is recognised wherever the carrying amount of intangible fixed assets of a cash generating unit exceeds its recoverable amount (i.e. higher of net selling price and value in use).

**(d) Depreciation / Amortisation**

Depreciation on original cost and amount added on revaluation of tangible fixed assets is provided on a pro rata basis on the straight line method based on the estimated useful lives of the asset as prescribed under Schedule II to the Companies Act, 2013 which is in line with the technical evaluation carried out in 2014-15 by the Internal expert. Aforesaid technical evaluation carried out in 2014-15 have been revisited by the Group's management during the year and no change to the evaluated life considered necessary.

Feature Films / Music Copyrights are amortised on a 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 for appropriate adjustments, where required.

Softwares are amortised on a straight line basis over a period of three years from the date of capitalisation.

**(e) Investments**

Long term investments are stated at cost / cost less write down. Provision for diminution is made to recognise a decline other than temporary in the carrying amount of long term investments as determined by the Board of Directors on periodical review.

Current investments are carried at lower of cost and fair value.

**(f) Inventories**

Inventories are valued at lower of cost and net realisable value.

**(i) Finished Goods**

The cost is determined on specific identification / weighted average basis, as considered appropriate by the Group, and includes, where applicable, appropriate share of overheads.

Provision is made for obsolete / slow moving / defective stocks, where necessary.

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS for the Year Ended 31st March, 2016 (contd.)**

- (ii) **Television Serials**  
Television serials under production are included under 'Work-in-Progress' at cost or under.  
Untelecasted television serials are stated at lower of cost and net expected revenue and included under 'Finished Goods'.
- (g) **Employee Benefits**  
Short-term Employee Benefits (i.e. benefits payable within one year) are recognised in the period in which employee services are rendered. Contribution towards superannuation at rates specified in related approved scheme covering eligible employees opting for such contribution is recognised as expense and funded.  
Liability towards gratuity (defined benefit), covering eligible employees, is provided on the basis of year-end actuarial valuation using Projected Unit Credit Method. Gratuity is funded.  
Accrued liability towards leave encashment benefits (defined benefit), covering eligible employees, evaluated on the basis of year-end actuarial valuation using Projected Unit Credit Method is recognised as charge.  
Contribution towards provident fund to Government administered provident fund is recognised as expense.  
Actuarial gains / losses arising in Defined Benefit Plans are recognised immediately in the Statement of Profit and Loss as income / expense for the year in which they occur.  
Termination benefits represent compensation towards Voluntary Retirement Scheme which is expensed on accrual of liability.
- (h) **Revenue**  
Revenue from sales is recognised on transfer of significant risks and rewards of ownership to customers based on the agreement with the customers. Licence Fees represent income from music rights.  
Revenue relating to television serials is recognised on the basis of telecast / delivery of content, as applicable.  
Advertising Revenue from Current Affairs & Features Magazine is recognised in the period in which the magazines are published and are accounted for net of commission and discounts.  
Revenue from marketing support services is recognised as and when services are rendered.
- (i) **Other Income**  
Interest: Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.  
Dividend: Dividend income is recognised when the right to receive dividend is established.
- (j) **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.
- (k) **Foreign Currency Transactions**  
Transactions in foreign currency are accounted for at the exchange rates prevailing on the date of transactions. Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at year-end exchange rates. The resultant exchange differences arising from settlement of foreign currency transaction and from year-end restatement are recognised in the Statement of Profit and Loss.  
Foreign currency non-monetary items carried in terms of historical cost are reported using the exchange rates at the date of transactions.
- (l) **Borrowing Costs**  
Borrowing costs, if any, attributable to the acquisition and construction of qualifying assets are added to the cost up to the date when such assets are ready for their intended use. Other borrowing costs are recognised as expense in the period in which these are incurred.
- (m) **Taxes on Income**  
Current tax is provided as the amount of tax payable in respect of taxable income for the year measured using the applicable tax rules and laws.  
Deferred tax is provided on timing differences between taxable income and accounting income measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date.  
Deferred tax assets are recognised only if there is a virtual / reasonable certainty, as applicable, in keeping with Accounting Standard 22 on 'Accounting for Taxes on Income' that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are reviewed for the appropriateness of their respective carrying amount at each Balance Sheet date.  
Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the entity will pay normal income tax in excess of MAT during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the entity will pay normal income tax in excess of MAT during the specified period.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS for the Year Ended 31st March, 2016 (contd.)

(n) **Provisions and Contingent Liabilities**

Provisions are recognised when there is a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation as at the Balance Sheet date and are not discounted to its present value.

Contingent liabilities are disclosed 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 entity or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

(o) **Goodwill on Consolidation**

Goodwill arising on consolidation are stated at cost and impairment is recognised, where applicable.

(p) **Consolidation**

Consolidated financial statements relate to Saregama India Limited, the Parent Company and its subsidiaries and Joint venture (the Group). The consolidated financial statements are in conformity with the Accounting Standard - 21 on "Consolidated Financial Statements" and Accounting Standard - 27 on "Financial Reporting of Interests in Joint Ventures", notified under Section 211(3C) of the Companies Act, 1956 of India (the Act) and are prepared as set out below:

- 1) The financial statements of the Parent Company and its subsidiaries have been combined on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses, after adjustments / elimination of inter-company balances, transactions including unrealized profits on inventories etc, if any.
- 2) Interest in Joint Ventures have been accounted by using the proportionate consolidation method as per Accounting Standard - 27 "Financial Reporting of Interests in Joint Ventures".
- 3) The consolidated financial statements are prepared by adopting uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent required and possible, in the same manner as the Parent Company's separate financial statements.
- 4) The financial statements of foreign operation (prepared other than in Indian rupees) is translated using the principles and procedures as if the transactions of the foreign operation had been those of the reporting enterprise.
- 5) The excess of cost to the Parent Company of its investment in the subsidiaries over the Parent's portion of equity of the subsidiaries at the dates they became subsidiaries / subsequent acquisition in subsidiary is recognized in the financial statements as Goodwill.
- 6) Minority interest in the consolidated financial statements is identified and recognized in the consolidated balance sheet separate from liabilities and the equity of the Parent Company's Shareholders after taking into consideration:
  - i) The amount of equity attributable to minorities at the date on which investments in a subsidiary is made.
  - ii) The minorities' share of movement in equity since the date parent-subsidiary relationship came into existence.
  - iii) Adjustment of the losses attributable to the minorities against the minority interest in the equity of the subsidiaries and thereafter adjustment of the excess of loss, if any, over the minority interest in the equity against the majority interest.

(₹ in Lacs)

**2. SHARE CAPITAL**

**Authorised**

2,50,00,000 (31.03.2015:2,50,00,000) Equity Shares of ₹10/- each

**Issued**

1,74,02,938 (31.03.2015:1,74,02,938) Equity Shares of ₹10/- each

**Subscribed and Paid Up**

1,74,02,938 (31.03.2015:1,74,02,938) Equity Shares of ₹10/- each fully paid up

**TOTAL**

As at 31st March, 2016	As at 31st March, 2015
2,500.00	2,500.00
1,740.29	1,740.29
1,740.29	1,740.29
1,740.29	1,740.29

- 2.1** 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 (31.03.2015- 5,290) equity shares (relating to cases under litigation / pending clearance from the concerned authorities) are kept in abeyance as on 31st March, 2016.

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS for the Year Ended 31st March, 2016 (contd.)****2.2 Number of Equity Shares outstanding as at the beginning and as at the end of the year**

Balance as at the beginning of the year

Balance as at the end of the year

As at 31st March, 2016	
Number	Amount (₹ Lacs)
17,402,938	1,740.29
17,402,938	1,740.29

As at 31st March, 2015	
Number	Amount (₹ Lacs)
17,402,938	1,740.29
17,402,938	1,740.29

**2.3 Rights, preferences and restrictions attached to shares**

The Parent Company has only one class of equity shares having a par value of Rs10 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.

**2.4 (i) Shares held by holding company**

Name of the Shareholder

Rainbow Investments Limited

As at 31st March, 2016	
No. of shares held	Amount (₹ Lacs)
10,291,599	1029.16

As at 31st March, 2015	
No. of shares held	Amount (₹ Lacs)
10,291,599	1029.16

(ii) The Parent Company became a subsidiary of Rainbow Investments Limited (RIL) pursuant to a Scheme of Amalgamation and Arrangement between Rainbow Investments Limited and certain companies and their respective shareholders as sanctioned by the Hon'ble High Court at Calcutta. The certified copy of the aforesaid Order was filed with the Registrar of Companies on July 8, 2014 (Effective date of the aforesaid Scheme).

**2.5 Details of Shares held by Shareholders holding more than 5 % of the aggregate shares in the Parent Company:**

Name of the Shareholder

Rainbow Investments Limited

Reliance Capital Limited

Rel Utility Engineers Limited

As at 31st March, 2016	
No. of shares held	Holding Percentage
10,291,599	59.14%
1,188,000	6.83%
-	-

As at 31st March, 2015	
No. of shares held	Holding Percentage
10,291,599	59.14%
-	-
13,19,000	7.58%

**2.6 Stock Option Schemes**

Pursuant to approved Saregama Employee Stock Option Scheme 2013 (Scheme), the Compensation Committee of the Board of Directors of the Parent Company has granted shares / options during 2013-14 and 2015-16 to certain eligible employees and outstanding as on 31st March, 2016 at the following exercise price, being prevailing market price as on date of joining / revision of salary of respective employee :

Name of eligible employees

Mr. G. B. Aayeer, Chief Financial Officer and Director

Mr. Avinash Mudaliar, Head - Internet Products &amp; Services

Mr. Troy Lobo, VP - Sales &amp; Marketing

No. of  
options/shares

10,000

10,000

10,000

Exercise price  
per share (₹)

69.85

53.95

195.40

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

Exercise period is 10 years from the vesting date. 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 2015-16, the Nomination and Remuneration committee of the Board of Directors of Parent Company has approved vesting of 4000 options each to Mr. G.B Aayeer and Mr. Avinash Mudaliar

**2.7 Pursuant to Stock Appreciation Rights Scheme 2014, the Nomination and Remuneration Committee of the Board of Directors of the Parent Company has granted 2,00,000 Stock Appreciation Rights (SAR) (being the difference in the share price between the date of grant and the date of exercise) 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%

The exercise period shall commence from the date of vesting and expire at the end of ten years from the relevant vesting date.

During the year 2015-16, the Nomination and Remuneration Committee of the Board of Directors of Parent Company has approved vesting of 1,32,000 SARs (i.e. 66% of 2,00,000 SARs) to its Managing Director.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS for the Year Ended 31st March, 2016 (contd.)

(₹ in Lacs)

	As at 31st March, 2016	As at 31st March, 2015
<b>3. RESERVES AND SURPLUS</b>		
<b>SECURITIES PREMIUM ACCOUNT</b>		
Balance as per Last Account	10,249.40	10,249.40
<b>CAPITAL RESERVE</b>		
Balance as at the beginning of the year	-	-
Add: Adjustment on acquisition of shares in subsidiary from Minority Shareholder	55.19	-
Balance as at the end of the year	55.19	-
<b>REVALUATION RESERVE</b>		
Balance as at the beginning of the year	3,021.53	3,047.27
Less: Transferred to General Reserve (Refer Note 3.1 and 9.4)	13.68	25.74
Balance as at the end of the year	3,007.85	3,021.53
<b>GENERAL RESERVE</b>		
Balance as at the beginning of the year	680.27	778.73
Add: Transferred from Revaluation Reserve( Refer Note 3.1 and 9.4 )	13.68	25.74
Less: Adjustment consequent to revision of useful lives pursuant to Schedule II to the Companies Act, 2013 ( Also Refer note 26.1 )	-	124.20
Balance as at the end of the year	693.95	680.27
<b>SURPLUS IN THE STATEMENT OF PROFIT &amp; LOSS</b>		
Balance as at the beginning of the year	1,077.58	732.84
(Less): Adjustment on acquisition of shares in subsidiary from Minority Shareholder	(26.70)	(4.59)
(Less): Adjustment for Capital Reserve pursuant to acquisition of shareholding	(2.42)	-
Add/(Less): Adjustment for Goodwill pursuant to acquisition of shareholding	226.72	(13.21)
Add: Profit for the year	683.48	676.72
<b>Less: Appropriations</b>		
Proposed dividend @ ₹ 1.50 per share ( 31.03.2015-₹ 1.50 per Share )	261.04	261.04
Dividend distribution tax on proposed dividend	53.14	53.14
Balance as at the end of the year	1,644.48	1,077.58
	15,650.87	15,028.78
Share of Joint venture [Refer Note 29(b) and 37 ]	9.73	9.73
<b>TOTAL</b>	15,660.60	15,038.51

**3.1** Includes ₹Nil ( 31.03.2015 - ₹12.06 lacs) reduced from Revaluation Reserve in respect of assets where revised useful lives have expired by 31st March, 2014 pursuant to revision made during the previous year. Also refer note 26.1.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS for the Year Ended 31st March, 2016 (contd.)

(₹ in Lacs)

	As at 31st March, 2016	As at 31st March, 2015
<b>4. LONG TERM PROVISIONS</b>		
Provision for Employee Benefits		
Leave Encashment	162.92	166.91
	<b>162.92</b>	166.91
Share of Joint venture [Refer Note 29(b) ]	-	-
<b>TOTAL</b>	<b>162.92</b>	166.91

(₹ in Lacs)

	As at 31st March, 2016	As at 31st March, 2015
<b>5. SHORT TERM BORROWINGS</b>		
Repayable on demand		
Secured		
Cash Credit from Banks (Refer Note 5.1)	-	362.46
Unsecured		
Inter Corporate Deposits	295.55	363.05
	<b>295.55</b>	725.51
Share of Joint venture [Refer Note 29(b) and 5.2 ]	66.03	54.16
<b>TOTAL</b>	<b>361.58</b>	779.67

**5.1** Cash Credit availed by Parent Company from banks bearing interest rate between 10.55% to 15.60% per annum (2014-15 - 13.50% to 15.60% per annum) are secured by first charge of entire stock of raw materials, stock in process, finished goods, receivables / book debts and other current assets of the Parent Company (present and future) and pari passu charge with other consortium banks.

**5.2** Cash credit availed by Joint venture company from bank are secured against stock & book debts of the Joint venture company both present and future & collateral charge on movable fixed assets. The interest rate is the prime lending rate of the Bank. The Joint venture company has defaulted on repayment of these facilities as on Balance sheet date and same is continuing for 692 days.

(₹ in Lacs)

	As at 31st March, 2016	As at 31st March, 2015
<b>6. TRADE PAYABLES</b>		
Trade Payables		
a) Total outstanding dues of micro enterprises and small enterprises (Refer Note 6.1)	0.56	0.75
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	2,977.48	2,727.95
	<b>2,978.04</b>	2,728.70
Share of Joint venture [Refer Note 29(b) ]	41.41	23.93
<b>TOTAL</b>	<b>3,019.45</b>	2,752.63

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS for the Year Ended 31st March, 2016 (contd.)

6.1 Micro and Small Enterprises :

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

(₹ in Lacs)

- (a) The Principal amount and interest due thereon remaining unpaid to suppliers under MSMED as at the end of accounting year
- Principal
- Interest
- (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
- (d) The amount of interest accrued and remaining unpaid at the end of the year [including Rs 0.41 lacs (Previous year Rs.0.51 lacs) being interest outstanding as at the beginning of the accounting year]
- (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

As at 31st March, 2016	As at 31st March, 2015
0.03	0.07
0.05	0.04
0.04	0.61
0.27	-
0.07	Nil
0.53	0.68
0.12	0.17

(₹ in Lacs)

7. OTHER CURRENT LIABILITIES

- Interest Accrued and Due on Deposits from Dealers
- Interest Accrued and Due on Borrowings
- Unpaid Dividends (Refer Note:7.1)
- Income Received In Advance
- Advance from Customers
- Advance - Subscription
- Security Deposit from Dealers
- Dealer's Incentive
- Liabilities for Expenses
- Employee Benefits Payable
- Amount payable to government authorities
- Advance against proposed sale of certain fixed assets
- Security Deposit from General Insurance Corporation of India on Sub lease of property

Share of Joint venture [Refer Note 29(b) ]

TOTAL

As at 31st March, 2016	As at 31st March, 2015
36.68	32.48
-	1.09
5.40	4.99
627.49	167.17
169.12	197.28
21.33	18.64
89.55	98.49
39.67	39.67
461.36	868.16
1,105.28	157.37
190.57	217.15
25.00	25.00
18.01	18.01
2,789.46	1,845.50
10.98	9.42
2,800.44	1,854.92

- 7.1 There are no amount due and outstanding to be credited to Investor Education and Protection Fund under Section 205C of the Companies Act, 1956 as at year end.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS for the Year Ended 31st March, 2016 (contd.)

(₹ in Lacs)

**8. SHORT TERM PROVISIONS**

Provision for Employee Benefits

Leave Encashment

32.31

27.25

Gratuity (Refer Note 24.1)

65.43

41.49

Other Provisions

Provision for Royalty on License Fees (Refer Note:8.1)

2,322.09

1,686.87

Provision for Wealth Tax

-

30.00

Provision for Returns of Magazines

11.66

16.40

Provision for Proposed Dividend

261.04

261.04

Provision for Dividend Distribution Tax on Proposed Dividend

53.14

53.14

2,745.67

2,116.19

Share of Joint venture [Refer Note 29(b) ]

-

-

**TOTAL**

2,745.67

2,116.19

(₹ in Lacs)

**8.1 Movements of Provision for Royalty on Licence Fees**

Carrying amount at the beginning of the year

1,686.87

1,285.73

Add: Created during the year

1,458.71

1,319.19

3,145.58

2,604.92

Less: Excess provision of earlier years, written back

38.25

94.90

Less: Amounts utilised during the year

785.24

823.15

Carrying amount at the end of the year

2,322.09

1,686.87

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS for the Year Ended 31st March, 2016 (contd.)

9. FIXED ASSETS

A) Tangible Assets	Gross Block			Depreciation and Amortisation			Provision for Loss on Impairment of Fixed Assets			Net Block	
	Cost/Valuation as at 31st March, 2015	Additions during the year	Deletions / Adjustments during the year	Cost/Valuation as at 31st March, 2016	Up to 31st March, 2015	For the Year	On Deletions / Adjustments during the year	Up to 31st March, 2016	Up to 31st March, 2016	As at 31st March, 2016	As at 31st March, 2015
Land - Freehold	6,567.47	-	-	6,567.47	-	-	-	-	-	6,567.47	6,567.47
Buildings - Freehold	771.96	-	-	771.96	426.01	22.65	-	448.66	-	323.30	345.95
Leasehold Buildings	70.60	-	-	70.60	32.10	0.79	-	32.89	-	37.71	38.50
Plant and Equipment	1,773.10	-	-	1,769.15	1,747.76	19.85	3.67	1,763.94	-	5.21	25.34
Furniture and Fittings	839.14	106.75	34.40	911.49	456.35	69.08	22.41	503.02	-	408.47	382.79
Office Equipment	1,790.22	308.24	19.83	2,078.63	1,550.79	148.14	19.49	1,679.44	-	399.19	239.43
Vehicles	73.13	-	-	73.13	58.04	5.04	-	63.08	-	10.05	15.09
<b>TOTAL</b>	11,885.62	414.99	58.18	12,242.43	4,271.05	265.55	45.57	4,491.03	-	7,751.40	7,614.57
Share of Joint venture [Refer Note 29(b)]	315.22	-	-	315.22	94.11	-	-	94.11	221.11	-	-
<b>TOTAL</b>	12,200.84	414.99	58.18	12,557.65	4,365.16	265.55	45.57	4,585.14	221.11	7,751.40	7,614.57
Previous Year	12,247.95	259.10	306.21	12,200.84	3,913.92	362.30	93.02	4,365.16	-	7,614.57	-

B) Intangible Assets	Gross Block			Amortisation			Provision for Loss on Impairment of Fixed Assets			Net Block	
	Cost/Valuation as at 31st March, 2015	Additions during the year	Deletions / Adjustments during the year	Cost/Valuation as at 31st March, 2016	Up to 31st March, 2015	For the Year	On Deletions / Adjustments during the year	Up to 31st March, 2016	Up to 31st March, 2016	As at 31st March, 2016	As at 31st March, 2015
Goodwill on Consolidation	1,079.06	202.69	-	1,281.75	-	-	-	-	1,281.75	-	-
Copyrights-Music	1,805.25	170.70	-	1,975.95	1,119.04	197.98	-	1,317.02	-	658.93	686.21
Feature Film	3,759.72	-	-	3,759.72	3,759.72	-	-	3,759.72	-	-	-
Softwares	641.32	61.05	5.45	696.92	563.60	80.92	3.67	640.85	-	56.07	77.72
<b>TOTAL</b>	7,285.35	434.44	5.45	7,714.34	5,442.36	278.90	3.67	5,717.59	1,079.06	715.00	763.93
Share of Joint venture [Refer Note 29(b)]	7.61	-	-	7.61	7.61	-	-	7.61	-	-	-
<b>TOTAL</b>	7,292.96	434.44	5.45	7,721.95	5,449.97	278.90	3.67	5,725.20	1,079.06	715.00	763.93
Previous Year	7,087.66	205.30	-	7,292.96	5,185.48	264.49	-	5,449.97	-	763.93	-

**9.1** Based on valuation reports of valuers, appointed for the purpose, the tangible fixed assets of Parent Company (other than furniture and fittings, office equipment, vehicles and certain items of plant and equipment) were revalued on 31st March, 1984 and again (except for those relating to record making machinery items) on 30th September, 1987 after considering the then (a) current market value/ derived rates attributable to land (b) current replacement cost after depreciation etc. and an amount of ₹587.31 lacs and ₹628.19 lacs were added to the book value of the related assets (with corresponding credit to Fixed Asset Revaluation Reserve) on 31st March, 1984 and 30th September, 1987 respectively.

**9.2** Certain tangible fixed assets of the Parent Company viz Land and Buildings were revalued in June 2003 by registered valuers at the lower of current replacement cost and realisable value. Resultant incremental value amounting to ₹2,374.11 lacs were added to the book value of the related assets with utilisation of the corresponding credit amount pursuant to an approved scheme of arrangement.

**9.3** Parent Company's land was revalued on 31st March, 2007 by registered valuers, at lower of current replacement cost and realisable value. Resultant incremental value amounting to ₹4,421.30 lacs were added to the book value of land with corresponding credit to Revaluation Reserve of ₹2,697.56 lacs and utilisation of the balance amount of ₹1,723.74 lacs pursuant to a sanctioned scheme of amalgamation of erstwhile Saregama Films Limited with the Parent Company in 2006-07.

**9.4** In respect of tangible fixed asset covered by revaluation made in the earlier years, depreciation has been calculated on their respective revalued amounts. Depreciation on account of incremental amount, to the extent of ₹13.68 lacs (Previous year- ₹13.68 lacs) has been transferred from Revaluation Reserve to General Reserve.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS for the Year Ended 31st March, 2016 (contd.)

## 9.1 FIXED ASSETS

A) Tangible Assets	Gross Block				Depreciation and Amortisation				Provision for Loss on Impairment of Fixed Assets				Net Block	
	Cost/Valuation as at 31st March, 2014	Additions during the year	Deletions / Adjustments during the year	Cost/Valuation as at 31st March, 2015	Up to 31st March, 2014	For the Year	On Deletions / Adjustments during the year	Up to 31st March, 2015	Up to 31st March, 2014	For the Year	On Deletions / Adjustments during the year	Up to 31st March, 2015	As at 31st March, 2015	As at 31st March, 2014
Land - Freehold	6,567.47	-	-	6,567.47	-	-	-	-	-	-	-	-	6,567.47	6,567.47
Buildings - Freehold	771.96	-	-	771.96	366.70	22.65	-	426.01	-	-	-	-	345.95	405.26
Leasehold Buildings	70.60	-	-	70.60	31.30	0.80	-	32.10	-	-	-	-	38.50	39.30
Plant and Equipment	1,790.92	-	17.82	1,773.10	1,676.62	25.92	17.82	1,747.76	-	-	-	-	25.34	114.30
Furniture and Fittings	803.29	137.81	101.96	839.14	408.67	84.98	56.29	456.35	-	-	-	-	382.79	394.62
Office Equipment	1,676.34	121.29	7.41	1,790.22	1,286.95	209.28	4.75	1,550.79	-	-	-	-	239.43	389.39
Vehicles	252.15	-	179.02	73.13	49.57	18.67	14.16	58.04	-	-	-	-	15.09	202.58
<b>TOTAL</b>	11,932.73	259.10	306.21	11,885.62	3,819.81	362.30	93.02	4,271.05	-	-	-	-	7,614.57	8,112.92
Share of Joint venture [Refer Note 29(b)]	315.22	-	-	315.22	94.11	-	-	94.11	-	221.11	-	221.11	-	221.11
<b>TOTAL</b>	12,247.95	259.10	306.21	12,200.84	3,913.92	362.30	93.02	4,365.16	-	221.11	-	221.11	7,614.57	8,334.03

B) Intangible Assets	Gross Block				Amortisation				Provision for Loss on Impairment of Fixed Assets				Net Block	
	Cost/Valuation as at 31st March, 2014	Additions during the year	Deletions / Adjustments during the year	Cost/Valuation as at 31st March, 2015	Up to 31st March, 2014	For the Year	On Deletions / Adjustments during the year	Up to 31st March, 2015	Up to 31st March, 2014	For the Year	On Deletions / Adjustments during the year	Up to 31st March, 2015	As at 31st March, 2015	As at 31st March, 2014
Goodwill on Consolidation	943.92	135.14	-	1,079.06	-	-	-	-	-	1,079.06	-	1,079.06	-	943.92
Copyrights-Music	1,737.00	68.25	-	1,805.25	906.27	212.77	-	1,119.04	-	-	-	-	686.21	830.73
Feature Film	3,759.72	-	-	3,759.72	3,759.72	-	-	3,759.72	-	-	-	-	-	-
Softwares	639.41	1.91	-	641.32	511.88	51.72	-	563.60	-	-	-	-	77.72	127.53
<b>TOTAL</b>	7,080.05	205.30	-	7,285.35	5,177.87	264.49	-	5,442.36	-	1,079.06	-	1,079.06	763.93	1,902.18
Share of Joint venture [Refer Note 29(b)]	7.61	-	-	7.61	7.61	-	-	7.61	-	-	-	-	-	-
<b>TOTAL</b>	7,087.66	205.30	-	7,292.96	5,185.48	264.49	-	5,449.97	-	1,079.06	-	1,079.06	763.93	1,902.18

**9.1.1** Based on valuation reports of valuers, appointed for the purpose, the tangible fixed assets of Parent Company (other than furniture and fittings, office equipment, vehicles and certain items of plant and equipment) were revalued on 31st March, 1984 and again (except for those relating to record making machinery items) on 30th September, 1987 after considering the then (a) current market value/ derived rates attributable to land (b) current replacement cost after depreciation etc. and an amount of ₹587.31 lacs and ₹628.19 lacs were added to the book value of the related assets (with corresponding credit to Fixed Asset Revaluation Reserve) on 31st March, 1984 and 30th September, 1987 respectively.

**9.1.2** Certain tangible fixed assets of the Parent Company viz. Land and Buildings were revalued in June 2003 by registered valuers at the lower of current replacement cost and realisable value. Resultant incremental value amounting to ₹2,374.11 lacs were added to the book value of the related assets with utilisation of the corresponding credit amount pursuant to an approved scheme of arrangement.

**9.1.3** Parent Company's land was revalued on 31st March, 2007 by registered valuers, at lower of current replacement cost and realisable value. Resultant incremental value amounting to ₹4,421.30 lacs were added to the book value of land with corresponding credit to Revaluation Reserve of ₹2,697.56 lacs and utilisation of the balance amount of ₹1,723.74 lacs pursuant to a sanctioned scheme of amalgamation of erstwhile Saregama Films Limited with the Parent Company in 2006-07.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS for the Year Ended 31st March, 2016 (contd.)

10. NON CURRENT INVESTMENTS

	Number		Face Value of each share/unit	₹ in Lacs	
	As at 31st March, 2016	As at 31st March, 2015		Book Value as at 31st March, 2016	Book Value as at 31st March, 2015
<b>A. Long Term : Other than Trade Investment (valued at cost unless stated otherwise)</b>					
<b>1. Fully Paid Equity Shares in Other Companies</b>					
<b>Quoted</b>					
CESC Limited.	1,544,988	15,44,988	₹10	3,971.86	3,971.86
Phillips Carbon Black Limited.	100	100	₹10	0.06	0.06
Harrisons Malayalam Limited.	100	100	₹10	0.04	0.04
CFL Capital Financial Services Limited.	100	100	₹10	0.02	0.02
STEL Holdings Ltd	100	100	₹10	-	-
<b>Unquoted</b>					
Spencer and Company Limited.	200	200	₹9	0.07	0.07
Woodlands Multispeciality Hospital Limited	2,250	2,250	₹10	0.07	0.07
Timbre Media Private Ltd @	2,30,000	2,30,000	₹10	-	-
				<b>3,972.12</b>	<b>3,972.12</b>
				<b>3,972.12</b>	<b>3,972.12</b>
Aggregate Amount of Quoted Investments				<b>3,971.98</b>	3,971.98
Aggregate Market Value of Quoted Investments				<b>7,303.33</b>	9,329.61
Aggregate Amount of Unquoted Investments				<b>0.14</b>	0.14

@ Acquired during the year 2012-13 pursuant to clause 3.8 of the agreement entered into between Saregama India Limited and Timbre Media Private Limited.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS for the Year Ended 31st March, 2016 (contd.)

(₹ in Lacs)

**11. DEFERRED TAX ASSET / LIABILITIES (NET)**

The major components of Deferred Tax Assets are:-

Deferred Tax Asset on :-

Provisions for doubtful debts/advances

Expenditure allowable for tax purpose in subsequent years

On Depreciation

**Total**

Share of Joint venture [Refer Note 29(b)]

**TOTAL**

As at 31st March, 2016

As at 31st March, 2015

625.71

610.37

321.85

45.31

114.00

103.21

1,061.56

758.89

-

-

1,061.56

758.89

(₹ in Lacs)

**12. LONG TERM LOANS AND ADVANCES****Capital Advances**

Unsecured considered Good

Unsecured considered Doubtful

Less: Provision for Doubtful advances

**Security Deposits**

Unsecured considered Good

**Loan to Employees**

Unsecured considered Good

Share of Joint venture [Refer Note 29(b)]

**TOTAL**

As at 31st March, 2016

As at 31st March, 2015

96.45

10.50

14.88

14.88

14.88

14.88

-

-

556.51

335.07

0.12

2.62

653.08

348.19

-

-

653.08

348.19

(₹ in Lacs)

**13. OTHER NON CURRENT ASSETS**

– Deposits with maturity more than 12 months

Share of Joint venture [Refer Note 29(b)]

**TOTAL**

As at 31st March, 2016

As at 31st March, 2015

2.00

2.00

2.00

2.00

-

-

2.00

2.00

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS for the Year Ended 31st March, 2016 (contd.)

	(₹ in Lacs)	
	As at 31st March, 2016	As at 31st March, 2015
<b>14. INVENTORIES [Refer Note:1(f)]</b>		
Raw Materials (including stock-in-transit-₹ Nil ; 31.03.2015-₹ 30.12 lacs)	30.73	56.47
Finished Goods		
– Untelecasted Television Serials	83.60	479.87
– Others.	13.06	-
	127.39	536.34
Share of Joint venture [Refer Note 29(b)]	-	-
<b>TOTAL</b>	<b>127.39</b>	<b>536.34</b>

	(₹ in Lacs)	
	As at 31st March, 2016	As at 31st March, 2015
<b>14.1 Details of Closing Inventories of Raw Material and Finished Goods</b>		
Raw Materials		
– Papers, Digitray, etc.	30.73	56.47
Finished Goods		
– Untelecasted Television Serials	83.60	479.87
– Others	13.06	-
	127.39	536.34
Share of Joint venture [Refer Note 29(b)]	-	-
<b>TOTAL</b>	<b>127.39</b>	<b>536.34</b>

	(₹ in Lacs)	
	As at 31st March, 2016	As at 31st March, 2015
<b>15. TRADE RECEIVABLES</b>		
Unsecured		
Outstanding for a period exceeding six months from the date they are due for payment		
Considered Good	88.10	51.73
Considered Doubtful	1,804.75	1,832.01
Less: Provision for Doubtful Debts	1,804.75	1,832.01
Other Debts		
Considered Good	4,517.16	5,367.13
Considered Doubtful	22.37	29.34
Less: Provision for Doubtful Debts	22.37	29.34
	4,605.26	5,418.86
Share of Joint venture [Refer Note 29(b)]	-	-
<b>TOTAL</b>	<b>4,605.26</b>	<b>5,418.86</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS for the Year Ended 31st March, 2016 (contd.)

(₹ in Lacs)

## 16. CASH AND BANK BALANCES

## Cash and Cash Equivalents

Cash on Hand

Cheques on Hand

Bank Balances

- Current Accounts

- Unpaid Dividend Accounts @

- Demand Deposits with Banks (upto 3 months maturity )

## Other Bank Balances \*

Balances with Bank

- Deposits with maturity more than  
3 months but less than 12 months

Share of Joint venture [Refer Note 29(b)]

## TOTAL

@ Earmarked for payment of unclaimed dividend.

\* Excludes deposits ₹2.00 lacs (31.03.2015- ₹2 lacs) with maturity more than 12 months from the reporting period and shown under 'Other Non-Current Assets' (Note 13)

As at 31st March, 2016	As at 31st March, 2015
5.35	5.85
0.91	-
843.00	533.59
5.40	4.99
1,700.00	-
2,554.66	544.43
40.15	36.25
2,594.81	580.68
1.14	1.26
2,595.95	581.94

## 17. SHORT TERM LOANS AND ADVANCES

(Unsecured, considered good unless otherwise stated)

## Minimum Guarantee Royalty Advances

## Royalty Advances

Unsecured considered Good

Unsecured considered Doubtful

Less: Provision for Doubtful Advances

## Advance against TV Projects

Unsecured considered Good

Unsecured considered Doubtful

Less: Provision for Doubtful Advances

## Loan to Employees

## Balances with Government Authorities

## Prepaid Expense

Unsecured considered Good

Unsecured considered Doubtful

Less: Provision for Doubtful Prepaid Expense

## Gratuity (Refer Note 24.1)

## Advance to Artist / for Event / Others

Unsecured considered Good

Unsecured considered Doubtful

Less: Provision for Doubtful Advances

Advance payment of Income Tax and Tax Deducted at  
Source [net of Provision for Taxation ₹ 3,165.38 lacs  
(31.03.15- ₹2,637.94 lacs)]Advance payment of Fringe Benefit Tax [net of Provision  
₹147.87 lacs ( 31.03.2015- ₹ 147.87 lacs)]

Share of Joint venture [Refer Note 29(b)]

## TOTAL

As at 31st March, 2016	As at 31st March, 2015
199.33	221.20
296.72	322.57
398.78	340.73
398.78	340.73
5.51	145.63
190.21	206.19
190.21	206.19
17.71	8.81
422.14	381.28
345.49	198.33
125.19	152.85
125.19	152.85
7.54	11.38
28.36	22.56
427.35	446.33
427.35	446.33
3,851.14	3,375.98
20.08	20.08
5,194.02	4,707.82
9.49	10.02
5,203.51	4,717.84

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS for the Year Ended 31st March, 2016 (contd.)

	As at 31st March, 2016	As at 31st March, 2015
<b>18. OTHER CURRENT ASSETS</b>		
Unsecured considered Good	17.25	-
Interest accrued on deposits with bank	17.25	-
Share of Joint venture [Refer Note 29(b)]	-	-
<b>TOTAL</b>	<b>17.25</b>	<b>-</b>

	Year ended 31st March, 2016	Year ended 31st March, 2015
<b>19. REVENUE FROM OPERATIONS</b>		
<b>Sale of Products</b>		
Audio Compact Discs	265.74	216.87
Digital Versatile Discs	25.77	19.57
Others	16.28	14.90
Less: Excise Duty	0.03	0.08
	<b>307.76</b>	<b>251.26</b>
<b>Sale of Services</b>		
Advertising	243.14	144.82
News-stand	47.02	61.38
Income from Marketing Support Services	122.67	-
Income from Television Serials (including Free Commercial Time)	8,473.72	6,442.26
Licence Fees	12,870.26	11,672.92
Others	85.01	56.73
Other Operating Revenue	18.41	23.92
	<b>22,167.99</b>	<b>18,653.29</b>
Share of Joint venture [Refer Note 29(b)]	-	-
<b>TOTAL</b>	<b>22,167.99</b>	<b>18,653.29</b>

	Year ended 31st March, 2016	Year ended 31st March, 2015
<b>20. OTHER INCOME</b>		
Liabilities/Provisions no longer required written back	537.35	881.93
Provision for Doubtful Debts/ Advances no longer required written back	150.50	66.55
Interest Income (Gross)		
– on Bank Deposits	55.65	22.70
– on Security Deposits	2.48	2.41
– on Income Tax Refund	84.53	6.93
Dividend from Long Term (other than trade) Investments	293.55	123.60
Profit on Sale of Tangible Fixed Assets	2.41	1.16
Rent Income	3.92	3.89
Net Gain on foreign currency transactions / translation	81.13	-
Other Non-Operating Income	5.11	4.57
	<b>1,216.63</b>	<b>1,113.74</b>
Share of Joint venture [Refer Note 29(b)]	0.04	0.05
<b>TOTAL</b>	<b>1,216.67</b>	<b>1,113.79</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS for the Year Ended 31st March, 2016 (contd.)

(₹ in Lacs)

**21. COST OF MATERIAL CONSUMED AND CONTRACT MANUFACTURING CHARGES**

- A) Cost of Materials Consumed (Refer Note:21.1)  
 B) Contract Manufacturing Charges (Refer Note:21.2)

Share of Joint venture [Refer Note 29(b)]

**TOTAL**

Year ended 31st March, 2016	Year ended 31st March, 2015
113.75	109.70
237.84	203.52
351.59	313.22
-	-
351.59	313.22

(₹ in Lacs)

**21.1 Details of Materials Consumed****Opening Stock**

- Materials : Paper

Materials Purchased

- Papers, Digitray etc.

**Less : Closing Stock**

- Materials : Paper

Share of Joint venture [Refer Note 29(b)]

**TOTAL**

Year ended 31st March, 2016	Year ended 31st March, 2015
56.47	17.15
88.01	149.02
30.73	56.47
113.75	109.70
-	-
113.75	109.70

(₹ in Lacs)

**21.2 Details of Contract Manufacturing Charges**

Contract Manufacturing Charges

- Audio Compact Discs
- Digital Versatile Discs
- Others

Share of Joint venture [Refer Note 29(b)]

**TOTAL**

Year ended 31st March, 2016	Year ended 31st March, 2015
196.47	182.05
18.64	16.90
22.73	4.57
237.84	203.52
-	-
237.84	203.52

(₹ in Lacs)

**22. COST OF PRODUCTION OF TELEVISION SERIALS AND PORTAL**

Cost of Production of Television Serials (Refer Note:22.1)

Cost of Portal Development

Share of Joint venture [Refer Note 29(b)]

**TOTAL**

Year ended 31st March, 2016	Year ended 31st March, 2015
6,632.80	7,049.28
134.02	10.20
6,766.82	7,059.48
-	-
6,766.82	7,059.48

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS for the Year Ended 31st March, 2016 (contd.)

	(₹ in Lacs)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
<b>22.1 Details of Cost of Production of Television Serials</b>		
Telecast Fees	1,252.35	1,758.85
Payment to artistes, directors, script-writers, etc.	1,175.43	1,357.61
Cost of Tapes	0.12	0.54
Food, Lodging and Travel	296.89	391.61
Set, properties and equipment charges	210.57	399.70
Other Production Expenses	4,093.71	2,841.53
Increase / (Decrease) in Inventories of Films and Television Serials	(396.27)	299.44
	6,632.80	7,049.28
Share of Joint venture [Refer Note 29(b)]	-	-
<b>TOTAL</b>	<b>6,632.80</b>	<b>7,049.28</b>

	(₹ in Lacs)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
<b>23. CHANGES IN INVENTORIES OF FINISHED GOODS</b>		
<b>Opening Stock</b>		
– Finished Goods-Untelecasted Television Serials	479.87	180.43
– Finished Goods-Audio Compact Discs, Digital Versatile Discs, etc.	-	91.85
	479.87	272.28
<b>Less: Closing Stock</b>		
– Finished Goods-Untelecasted Television Serials	83.60	479.87
– Finished Goods-Others	13.06	-
	96.66	479.87
	383.21	(207.59)
Share of Joint venture [Refer Note 29(b)]	-	-
<b>Net (Increase)/Decrease</b>	<b>383.21</b>	<b>(207.59)</b>

	(₹ in Lacs)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
<b>24. EMPLOYEE BENEFITS EXPENSE</b>		
Salaries and Wages	4,441.00	3,393.79
Contributions to:		
Provident Fund	125.47	109.94
Superannuation Fund	9.61	9.99
Gratuity Fund	164.40	61.97
Employee's State Insurance Scheme (contribution plan)	14.05	11.99
	313.53	193.89
Staff Welfare Expenses	172.87	157.99
	4,927.40	3,745.67
Share of Joint venture [Refer Note 29(b)]	-	1.78
<b>TOTAL</b>	<b>4,927.40</b>	<b>3,747.45</b>

**24.1** In keeping with the Group gratuity scheme (a defined benefit plan-funded), eligible employees are entitled to gratuity benefit (at one half months eligible salary for each completed year of service) on retirement / death / incapacitation / resignation etc. Also refer Note 1 (g) for accounting policy relating to gratuity. Following are the further particulars with respect to gratuity.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS for the Year Ended 31st March, 2016 (contd.)

(₹ in Lacs)

	2015-16			2014-15		
	Parent Company	Subsidiary	Share of Joint Venture (Refer note below)	Parent Company	Subsidiary	Share of Joint Venture (Refer note below)
<b>I. Reconciliation of opening and closing balances of the present value of the Defined Benefit Obligation</b>						
(a) Present Value of Obligation at the beginning of the year	554.76	20.56	N/A	533.50	22.22	N/A
(b) Current Service Cost	38.26	7.45	N/A	31.44	5.25	N/A
(c) Interest Cost	40.79	1.48	N/A	45.19	1.74	N/A
(d) Curtailment Cost	63.06	-	N/A	-	-	N/A
(e) Acquisitions Cost	-	-	N/A	0.04	-	N/A
(f) Actuarial Loss / (Gain)	55.13	(0.86)	N/A	34.56	(1.96)	N/A
(g) (Benefits Paid)	(63.73)	(3.12)	N/A	(89.97)	(6.69)	N/A
(h) Present Value of Obligation as at the end of the year	688.27	25.51	N/A	554.76	20.56	N/A
<b>II. Reconciliation of opening and closing balances of the Fair Value of Plan Assets</b>						
(a) Fair Value of Plan Assets at the beginning of the year	513.27	31.94	N/A	520.12	23.77	N/A
(b) Acquisitions Adjustment	-	-	N/A	0.24	-	N/A
(c) Expected Return on Plan Assets	50.99	2.87	N/A	45.73	2.31	N/A
(d) Actuarial Gain / (Loss)	(11.31)	(1.64)	N/A	3.99	2.02	N/A
(e) Contributions	133.62	3.00	N/A	33.16	10.52	N/A
(f) (Benefits Paid)	(63.73)	(3.12)	N/A	(89.97)	(6.68)	N/A
(g) Fair Value of Plan Assets as at the end of the year	622.84	33.05	N/A	513.27	31.94	N/A
<b>III. Reconciliation of the present value of Defined Benefit Obligation in 'I' above and the Fair Value of Plan Assets in 'II' above</b>						
(a) Present Value of Obligation as at the end of the year	688.27	25.51	N/A	554.76	20.56	N/A
(b) Fair Value of Plan Assets as at the end of the year	622.84	33.05	N/A	513.27	31.94	N/A
(c) Liability / (Asset) recognised in the Balance Sheet	65.43	(7.54)	N/A	41.49	(11.38)	N/A
<b>IV. Expense charged to Statement of Profit and Loss</b>						
(a) Current Service Cost	38.26	7.45	N/A	31.44	5.25	N/A
(b) Interest Cost	40.79	1.48	N/A	45.19	1.74	N/A
(c) (Expected Return on Plan Assets)	(50.99)	(2.87)	N/A	(45.73)	(2.31)	N/A
(d) Curtailment Cost	63.06	-	N/A	-	-	N/A
(e) Acquisitions Cost	-	-	N/A	(0.20)	-	N/A
(f) Actuarial (Gain) / Loss	66.44	0.78	N/A	30.57	(3.98)	N/A
(g) Total expense charged to the Statement of Profit and Loss*	157.56	6.84	N/A	61.27	0.70	N/A
*reflected as 'Contribution to Gratuity Fund' in Note 24 on 'Employee Benefits Expense'.						
<b>V. Percentage of each Category of Plan Assets to total Fair Value of Plan Assets as at Balance Sheet date</b>						
(a) Fund with Life Insurance Corporation of India	78%	-	N/A	74%	-	N/A
(b) NAV based Group Balanced Fund with ICICI Prudential Life Insurance Company Limited	11%	-	N/A	14%	-	N/A
(c) NAV based Group Short Term Debt Fund with ICICI Prudential Life Insurance Company Limited	5%	-	N/A	6%	-	N/A
(d) NAV based Group Debt Fund with ICICI Prudential Life Insurance Company Limited	6%	-	N/A	6%	-	N/A
(e) Fund with Aviva Life Insurance Company India Ltd	-	100%	N/A	-	100%	N/A
<b>VI. Actual Return on Plan Assets</b>	39.68	1.23	N/A	49.72	4.33	N/A
<b>VII. Principal Actuarial Assumptions as at Balance Sheet date</b>						
(a) Discount Rate	7.70%	7.90%	N/A	7.80%	7.80%	N/A
(b) Expected Rate of Return on Plan Assets	8.00%	9.00%	N/A	9.30%	9.00%	N/A
(c) Salary Escalation	10.00%	7.00%	N/A	8.50%	7.00%	N/A

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The expected rate of return on plan assets is based on the composition of plan assets held, assessed risks of asset management, historical results of the return on plan assets, the Group Company's policy for plan asset management and other relevant factors.

As the Joint Venture does not have any employee as on March 31, 2016, Actuarial Valuation of Gratuity liability was not carried out as on that date and accordingly disclosures as required by Accounting Standard-15-Employee Benefits are not applicable to the Joint Venture

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS for the Year Ended 31st March, 2016 (contd.)

(₹ in Lacs)

VIII Other Disclosures

	2015-16	2014-2015	2013-2014	2012-2013	2011-2012
<b>A) Parent Company</b>					
a) Present value of the Obligation as at the end of the year	688.27	554.76	533.50	489.80	547.99
b) Fair value of Plan Assets as at the end of the year	622.84	513.27	520.12	463.09	590.62
c) (Surplus) / Deficit as at the end of the year	65.43	41.49	13.38	26.71	(42.63)
d) Experience Adjustment on Plan Obligation [Gain / (Loss) ]	(24.03)	5.55	(25.03)	(2.31)	(1.45)
e) Experience Adjustment on Plan Assets [Gain / (Loss) ]	(11.31)	3.99	(2.39)	(0.63)	0.75
<b>B) Subsidiary</b>					
a) Present value of the Obligation as at the end of the year	25.51	20.56	22.22	22.57	15.83
b) Fair value of Plan Assets as at the end of the year	33.05	31.94	23.77	24.96	2.74
c) (Surplus) / Deficit as at the end of the year	(7.54)	(11.38)	(1.55)	(2.39)	13.09
d) Experience Adjustment on Plan Obligation [Gain / (Loss) ]	0.56	5.42	3.40	2.86	(1.17)
e) Experience Adjustment on Plan Assets [Gain / (Loss) ]	(1.64)	2.02	(0.03)	(1.01)	-
<b>C) Share of Joint Venture</b>					
a) Present value of the Obligation as at the end of the year	N/A	N/A	0.27	0.97	0.65
b) Fair value of Plan Assets as at the end of the year	N/A	N/A	-	-	-
c) (Surplus) / Deficit as at the end of the year	N/A	N/A	0.27	0.97	0.65
d) Experience Adjustment on Plan Obligation [Gain / (Loss) ]	N/A	N/A	0.18	(0.04)	(0.04)
e) Experience Adjustment on Plan Assets [Gain / (Loss) ]	N/A	N/A	-	-	-

(₹ in Lacs)

25. FINANCE COSTS

Interest Expenses  
Other Borrowing Costs

Share of Joint venture [Refer Note 29(b)]

**TOTAL**

Year ended 31st March, 2016	Year ended 31st March, 2015
29.42	40.12
6.63	11.49
36.05	51.61
11.91	8.78
47.96	60.39

(₹ in Lacs)

26. DEPRECIATION AND AMORTISATION EXPENSE

Depreciation on Tangible Asset  
Amortisation on Intangible Asset

Share of Joint venture [Refer Note 29(b)]

Depreciation on Tangible Asset  
Amortisation on Intangible Asset

**TOTAL**

Year ended 31st March, 2016	Year ended 31st March, 2015
265.55	362.30
278.90	264.49
544.45	626.79
-	-
-	-
544.45	626.79

26.1 During the year 2014-15, the Group had charged depreciation in keeping with the requirements of Schedule II to the Companies Act, 2013. Consequently, the estimated useful lives of fixed assets had been revised, in keeping with the provisions of Schedule II to the Companies Act, 2013 effective 1st April, 2014. Pursuant to the said revision in useful lives, net book value aggregating ₹ 124.20 lacs (net of deferred tax ₹ 57.76 lacs) relating to fixed assets, where revised useful lives had expired by 31st March, 2014, was adjusted against opening balance as on 1st April, 2014 of General Reserve after considering ₹ 12.06 lacs transferred from Revaluation Reserve to General Reserve relating to the revalued assets.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS for the Year Ended 31st March, 2016 (contd.)

		(₹ in Lacs)
	Year ended 31st March, 2016	Year ended 31st March, 2015
<b>27. OTHER EXPENSES</b>		
Consumption of Stores and Spare Parts	0.02	0.11
Power and Fuel	172.36	133.25
Rent	288.85	293.33
Repairs – Buildings	11.69	25.50
– Machinery	20.17	18.25
– Others	85.51	65.92
Royalties	1,698.20	1,573.89
Recording Expenses	768.68	269.69
Carriage, Freight and Forwarding Charges	135.68	125.95
Rates & Taxes	158.61	56.01
Insurance	20.62	22.23
Travel and Conveyance	519.00	518.57
Advertisement and Sales Promotion	1,853.05	1,190.68
Editorial Expenses	118.62	86.02
Printing & Publishing Expenses	73.56	69.36
Printing and Communication Expenses	419.52	295.36
Bad Debts/Advances written off	53.76	40.97
Provision for Doubtful debts and Advances	111.70	351.64
Provision for Magazine Returns	8.87	12.75
Loss on disposal of Fixed Asset/Fixed Assets Scrapped	13.84	93.89
Legal/Consultancy Expenses	703.94	596.25
Event Expense	105.27	-
Loss on Foreign Currency Transactions and Translation	-	33.34
Payment to Auditors	69.89	65.15
Contribution towards CSR (Refer Note 27.1)	54.00	54.00
Miscellaneous Expense	807.88	648.50
	<b>8,273.29</b>	<b>6,640.61</b>
Share of Joint venture [Refer Note 29(b)]	<b>19.69</b>	<b>16.87</b>
<b>TOTAL</b>	<b>8,292.98</b>	<b>6,657.48</b>
<b>27.1 Corporate Social Responsibility Expenditure</b>		
(a) Gross Amount required to be spent by the Parent company during the year	<b>53.88</b>	<b>53.58</b>
(b) Amount paid to RP-Sanjiv Goenka Group CSR trust towards purposes other than construction/acquisition of assets ₹ 54 lacs (previous year ₹ 54 lacs)		

		(₹ in Lacs)
	Year ended 31st March, 2016	Year ended 31st March, 2015
<b>28. EXCEPTIONAL ITEMS</b>		
Capital Reserve arising on Consolidation	0.79	-
Impairment Loss on Goodwill on Consolidation (Net of arising on Consolidation ₹ Nil, 31.03.2015-₹ 148.35 lakhs )	202.69	930.71
Payment under Voluntary Retirement Scheme	955.40	-
	<b>1,158.88</b>	<b>930.71</b>
Share of Joint venture [Refer Note 29(b) and 28.1]	-	(19.03)
<b>TOTAL</b>	<b>1,158.88</b>	<b>911.68</b>

**28.1** Share of Exceptional Items from Saregama Regency Optimedia Private Limited (SROPL), Joint Venture comprising the following items:-

	Year ended 31st March, 2016	Year ended 31st March, 2015
(a) Provision for loss on impairment of fixed assets	-	221.11
(b) Provision for loss on obsolescence of inventories	-	4.75
(c) Write back of External Commercial Borrowings from Regency Media Mauritius (Parent Company of the Joint Venture)	-	(244.89)
<b>TOTAL</b>	<b>-</b>	<b>(19.03)</b>

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS for the Year Ended 31st March, 2016 (contd.)**

29. The Consolidated Financial Statements have been prepared in accordance with Accounting Standard (AS) 21 "Consolidated Financial Statements" and Accounting Standard (AS) 27 "Financial Reporting of Interests in Joint Ventures", notified under Section 211 (3C) of the Companies Act, 1956.

- (a) The subsidiaries [ which along with Saregama India Limited (Parent Company) and jointly controlled entity constitute the Group] considered in the preparation of these Consolidated Financial Statements are:

Name	Country of Incorporation	Proportion of ownership interest as at 31st March, 2016	Proportion of ownership interest as at 31st March, 2015
Saregama Plc.	United Kingdom	76.41%	70.23%
RPG Global Music Limited	Mauritius	100%	100%
Kolkata Metro Networks Limited	India	100%	100%
Open Media Network Private Limited	India	100%	75.18%

- (b) Group's Interest in Joint Venture (jointly controlled entity) is :

Name	Country of Incorporation	Proportion of ownership interest as at 31st March, 2016	Proportion of ownership interest as at 31st March, 2015
Saregama Regency Optimedia Private Limited	India	26%	26%

Interest in the Joint Venture is accounted for using proportionate consolidation.

30. Capital commitments (net of advances of ₹17.42 lacs; 31.03.15 - ₹25.38 lacs) as at 31st March, 2016 are estimated at ₹26.92 lacs (31.03.15 - ₹45.68 lacs).

31. Contingent liabilities in respect of -

(₹ in Lacs)

- (i) Guarantees given by Banks
- (ii) Claims against the Group not acknowledged as debts in respect of -
- Copyright matters
- Income Tax matters
- Sales tax / Value added tax / Entry tax matters
- Excise duty matters
- Custom duty matters

As at 31st March, 2016	As at 31st March, 2015
-	1.50
20.00	20.00
1,934.68	1,532.83
533.50	588.37
112.16	112.16
266.75	266.75

32. Un-hedged exposures in foreign currencies

- Trade Receivables
- Trade Receivables
- Trade Receivables
- Trade Receivables
- Trade Receivables
- Trade Payables

As at 31st March, 2016			As at 31st March, 2015		
Foreign Currency (in 'Lacs)	₹ (in 'Lacs)		Foreign Currency (in 'Lacs)	₹ (in 'Lacs)	
USD	6.27	415.96	USD	2.60	161.66
SAR	0.06	1.10	SAR	0.04	0.63
LKR	53.31	23.29	LKR	9.67	4.44
NPR	0.05	0.03	NPR	0.05	0.03
SGD	0.01	0.48	NIL	NIL	
USD	0.48	31.72	NIL	NIL	

33.1 The Parent Company has adopted the intrinsic value method in keeping with the applicable regulatory pronouncements for accounting the stock options granted as referred to in Note 2.6, which has no impact on the financial results of the Parent Company. Had the fair value method been used in keeping with the said pronouncements, net profit for the year would have been lower by about ₹3.97 lac (Previous Year ₹1.94 lac), without any significant impact on basic and diluted earning per share.

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS for the Year Ended 31st March, 2016 (contd.)****33.2 Basic and Diluted Loss / Earnings per share :**

	Year ended 31st March, 2016	Year ended 31st March, 2015
Number of equity shares at the beginning of the year	17,402,938	17,402,938
Number of equity shares at the end of the year	17,402,938	17,402,938
Weighted average number of equity shares outstanding during the year (A)	17,402,938	17,402,938
Weighted average number of potential equity shares on account of employee stock options (B)	19,048	11,892
Weighted average number of equity shares for computing diluted earnings per share [C= (A+B)]	17,421,986	17,414,830
Nominal value of each equity share (₹)	10	10
Profit after Taxation and Minority Interests available for equity shareholders (₹ in lacs) [D]	683.48	676.72
Basic Earning per share (₹) [D/A]	3.93	3.89
Diluted Earning per share (₹) [D/C]	3.92	3.89

**34. Segment Reporting :****Primary Segment information (Business Segments)**

(₹ in Lacs)

Particulars	Year ended 31st March, 2016							Year ended 31st March, 2015						
	Music	Films/ TV Serials	Publication	Marketing Support Services	Segment Total	Elimination	Consolidated Total	Music	Films/ TV Serials	Publication	Marketing Support Services	Segment Total	Elimination	Consolidated Total
1 Segment Revenue														
– External Sales and License Fees	13,216.95	8,473.72	333.54	143.78	22,167.99	–	22,167.99	11,951.01	6,442.26	260.02	–	18,653.29	–	18,653.29
– Intersegment Sales and License Fees	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total	13,216.95	8,473.72	333.54	143.78	22,167.99	–	22,167.99	11,951.01	6,442.26	260.02	–	18,653.29	–	18,653.29
2 Segment Result	3,751.44	963.12	(918.31)	(3.54)	3,792.71	–	3,792.71	5,148.54	(691.86)	(837.72)	–	3,618.96	–	3,618.96
Interest expense not allocated to segments							(41.33)							(48.90)
Other unallocated expenditure (net)							(2,840.01)							(2,971.88)
Profit before taxation and Minority Interest							911.37							598.18
3 Segment Assets	11,626.33	2,640.05	470.86	9.66	14,746.90	–	14,746.90	12,053.30	3,678.49	389.32	–	16,121.11	–	16,121.11
Unallocated							11,957.62							8,593.57
Total Assets							26,704.52							24,714.68
4 Segment Liabilities	6,940.92	276.70	337.98	8.85	7,564.45	–	7,564.45	4,729.18	941.59	333.11	–	6,003.88	–	6,003.88
Unallocated							1,525.61							1,666.44
Total Liabilities							9,090.06							7,670.32
5 Segment Capital Expenditure	616.53	12.90	101.80	1.46	732.69			340.06	–	1.49	–	341.55		
6 Segment Depreciation and amortisation	519.21	7.95	16.49	0.80	544.45			486.45	1.56	87.06	–	575.07		
7 Segment non-cash expenditure other than Depreciation and amortisation	125.54	39.52	14.24	–	179.30			363.77	23.77	5.18	–	392.72		
8 Impairment Loss on fixed assets	–	–	–	–	–			221.11	–	–	–	221.11		

Business Segments- The internal business segmentation and activities are :-

Music: Manufacturing and sale of Music Cassettes and Compact/Digital Discs, dealing with related music rights.

Films/TV Serials : Production and sale/ telecast/broadcast of films/ TV serials, pre recorded programmes and dealing in film rights.

Publication: Printing of printed material.

Marketing Support Services: Event management services, PR Services, Brand consultancy, Management/Creative services, Digital Marketing etc.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS for the Year Ended 31st March, 2016 (contd.)

Secondary Segment Information ( Geographical Segments)

	12 Months to 31.03.16	12 Months to 31.03.15
Segment Revenue		
– within India	21,425.30	17,812.95
– outside India	742.69	840.34
<b>TOTAL</b>	<b>22,167.99</b>	<b>18,653.29</b>
Segment Assets		
– within India	14,605.80	16,035.20
– outside India	141.10	86.11
<b>TOTAL</b>	<b>14,746.90</b>	<b>16,121.31</b>
Capital Expenditure		
– within India	732.69	341.55
– outside India	–	–
<b>TOTAL</b>	<b>732.69</b>	<b>341.55</b>

The Geographical Segments considered for disclosure are India and outside India.

35. Related Party Disclosures in keeping with Accounting Standard (AS) 18 notified in the Companies Act, 1956

Name of Related Party	Current Year	Previous Year	Nature of Relationship
	Rainbow Investments Limited. ( RIL )	Rainbow Investments Limited. ( RIL ) [Refer Note 2.4(ii)]	Holding Company of Parent Company and an enterprise related to the Parent Company in terms of Para 3 (c) of Accounting Standard-18 [From 8th July, 2014]
	Saregama Regency Optimedia Private Ltd (SROPL)	Saregama Regency Optimedia Private Ltd (SROPL)	Joint Venture Company
	Vikram Mehra (Managing Director of Parent Company)	Vikram Mehra* (Managing Director of Parent Company)	Key Management Personnel
		S.Mantha** (Managing Director of Parent Company)	Key Management Personnel
	G.B.Aayeer (Executive Director of Parent Company)	G.B.Aayeer (Executive Director of Parent Company)	Key Management Personnel
	Sanjiv Goenka	Sanjiv Goenka [From 8th July, 2014]	Chairman
	Mrs. Preeti Goenka		Relative of Mr.Sanjiv Goenka
	Mrs. Sushila Goenka		Relative of Mr.Sanjiv Goenka
	Mrs. S.G.Aayeer		Relative of Mr.G. B. Aayeer

\* Joined with effect from 27th October,2014

\*\* Resigned with effect from 24th April,2014

Related Party Transactions

(₹ in Lacs)

Nature of Transactions		Holding Company of Parent Company and an enterprise related to the Parent Company in terms of Para 3 (e) of Accounting Standard-18	Joint Venture SROPL	Key Management Personnel	Relative of Mr.G.B.Aayeer	Chairman	Relative of Mr.Sanjiv Goenka
Dividend Paid	Current Year	154.37	-	-	-	-	-
	Previous Year	-	-	-	-	-	-
Purchase of Shares of Subsidiary	Current Year	-	-	-	-	-	-
	Previous Year	17.80	-	-	-	-	-
<b>Remuneration to Managerial Personnel</b>							
Mr.Vikram Mehra	Current Year	-	-	489.92	-	-	-
	Previous Year	-	-	152.73	-	-	-

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS for the Year Ended 31st March, 2016 (contd.)

Nature of Transactions		Holding Company of Parent Company and an enterprise related to the Parent Company in terms of Para 3 (e) of Accounting Standard-18	Joint Venture SROPL	Key Management Personnel	Relative of Mr.G.B.Aayeer	Chairman	Relative of Mr.Sanjiv Goenka
Mr.G.B.Aayeer	Current Year	-	-	133.07	-	-	-
	Previous Year	-	-	142.34	-	-	-
Mr.S.Mantha	Current Year	-	-	-	-	-	-
	Previous Year	-	-	9.94	-	-	-
<b>Payment to Relative of Key Managerial Personnel</b>							
<b>Car lease Rental</b>							
Mrs S.G.Aayeer	Current Year	-	-	-	3.64	-	-
	Previous Year	-	-	-	-	-	-
<b>Rent</b>							
Mrs Preeti Goenka	Current Year	-	-	-	-	-	5.40
	Previous Year	-	-	-	-	-	-
<b>Sitting Fees</b>							
Mr. Sanjiv Goenka	Current Year	-	-	-	-	0.60	-
	Previous Year	-	-	-	-	0.80	-
Mrs.Preeti Goenka	Current Year	-	-	-	-	-	0.20
	Previous Year	-	-	-	-	-	-
Mrs.Sushila Goenka	Current Year	-	-	-	-	-	0.20
	Previous Year	-	-	-	-	-	-

**35.1** The Parent Company has applied to the Central Government seeking approval for managerial remuneration paid/ payable for the year ended 31st March,2016, aggregating ₹ 304.29 lakhs in excess of the limits specified in Section 197 read with Schedule V of the Companies Act,2013, response to which is awaited.

**36.** (a) Rent and share of Joint Venture disclosed under Other Expenses (Note 27) includes lease payments of ₹151.93 Lacs (31.03.2015 - ₹156.53 Lacs) and ₹ 13.10 lacs (31.03.2015-₹ 12.92 Lacs) respectively relating to operating leases taken on or after 1st April,2001. These leasing arrangements range from less than an year to ten years and are primarily in respect of accommodation for employees / office premises. The significant leasing arrangements inter alia include escalation clause and option for renewal.

(b) The total of future minimum lease payments under non-cancellable operating leases: (₹ in Lacs)

	Year ended 31st March, 2016		Year ended 31st March, 2015	
	Parent Company	Share of Joint Venture	Parent Company	Share of Joint Venture
Not later than one year	NIL	13.10	NIL	12.93
Later than one year and not later than five years	NIL	NIL	NIL	NIL
More than five years	NIL	NIL	NIL	NIL

**36.** (c) Rent income includes sub-lease payments of ₹3.92 Lacs (Previous Year - ₹ 3.89 Lacs) for the year relating to sub-lease agreements entered into by the Parent Company on or after 1st April, 2001. These lease arrangements inter alia include escalation clause/option for renewal.

**37.** Share of Joint Venture ₹ 9.73 lacs (31.03.2015-₹ 9.73 lacs) included in ' Reserve and Surplus' (Note 3) represents Fixed Capital Investment Subsidy received in earlier year.

**38.** Excess of losses applicable to minority shareholders in a consolidated subsidiary over the Minority Interest in the equity of the subsidiary amounting to ₹ Nil (31.03.2015-₹ 202.71 lakhs) have been adjusted against the Majority Interest.

**39.** Pursuant to fast changing customer preference, in the opinion of the Board of Directors of SROPL, the Joint Vetur's current business model is considered not viable and accordingly, business operations have been stopped during 2014-15.

In view of the above, the financial statements of SROPL for the year ended March 31, 2016 and March 31,2015 have not been prepared on going concern assumptions, rather prepared using an alternative basis i.e. net realisable value.

However, according to SROPL's management, there are no ready takers for the existing Plant and Equipment and other assets due to technological obsolescence and also there is no realizable value for existing inventories. Accordingly, the same have been written off and disclosed as Exceptional item in the previous year in statement of Profit and Loss under Note 28.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS for the Year Ended 31st March, 2016 (contd.)

40.	Name of the Entity	Net Assets, i.e. total assets minus total liabilities		Share in Profit or Loss	
		As % of Consolidated Net Assets	Amount (₹ in Lacs)	As % of Consolidated Profit or Loss	Amount (₹ in Lacs)
	<b>Parent</b>				
	Saregama India Limited	<b>98.10%</b> (98.95%)	<b>17,070.94</b> (16,602.82)	<b>161.89%</b> (153.85%)	<b>1,106.51</b> (1,041.15)
	<b>Subsidiaries</b>				
	<b>Indian</b>				
	Kolkata Metro Networks Limited	<b>2.55%</b> (2.64%)	<b>443.81</b> (442.53)	<b>-1.08%</b> (-10.13%)	<b>-7.39</b> (-68.55)
	Open Media Networks Private Limited	<b>0.87%</b> (0.38%)	<b>150.87</b> (63.29)	<b>-134.87%</b> (-128.91%)	<b>-921.84</b> (-872.33)
	Saregama Regency Optimedia Private Limited (Jointly Controlled Entity)	<b>-0.62%</b> (-0.45%)	<b>-107.79</b> (-76.24)	<b>-4.62%</b> (-1.23%)	<b>-31.57</b> (-8.35)
	<b>Foreign</b>				
	RPG Global Music Limited	<b>-0.18%</b> (-0.17%)	<b>-31.87</b> (-28.08)	<b>-1.00%</b> (-0.79%)	<b>-6.81</b> (-5.37)
	Saregama Plc	<b>0.51%</b> (0.24%)	<b>88.50</b> (40.05)	<b>80.13%</b> (79.79%)	<b>547.70</b> (539.95)
	<b>Minority Interests in all subsidiaries</b>				
	<b>Indian</b>				
	Open Media Networks Private Limited	<b>0.00%</b> (0.00%)	- -	<b>0.00%</b> (2.91%)	- (19.70)
	<b>Foreign</b>				
	Saregama Plc	<b>-1.23%</b> (-1.58%)	<b>-213.57</b> (-265.56)	<b>-0.46%</b> (4.51%)	<b>-3.12</b> (30.52)
	<b>Total</b>	<b>100.00%</b> <b>(100.00%)</b>	<b>17,400.89</b> <b>(16,778.81)</b>	<b>100.00%</b> <b>(100.00%)</b>	<b>683.48</b> <b>(676.72)</b>

41. Current Tax provision is net of Minimum Alternate Tax (MAT) credit ₹ 452.32 lacs (2014-15 ₹ 996.03 lacs) relating to earlier years based on income tax computation set out in accounting policy [ Note 1 (m) ] and Parent Company's Return of Income.
42. Previous year's figures have been regrouped or rearranged, where considered necessary, to conform to current year's classification.

Signature to Note 1 to 42

For Price Waterhouse  
Firm Registration No. 301112 E  
Chartered Accountants  
(Pinaki Chowdhury)  
Partner  
Membership No. - 057572

Kolkata,  
25th May, 2016

On behalf of the Board

T. Paul  
Company Secretary

V. Mehra  
Managing Director  
DIN - 03556680

G. B. Aayeer  
Chief Financial Officer & Director  
DIN - 00087760

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

(₹ in Lacs)

	Year ended 31st March, 2016	Year ended 31st March, 2015
<b>A. Cash Flow from Operating Activities</b>		
Profit Before Tax and Minority Interest	911.37	598.18
Adjustments for:		
Depreciation and Amortisation Expenses	544.45	626.79
Bad debt/Advances written off	53.76	40.97
Provision for Doubtful Debts and Advances	111.70	351.75
Finance Costs	47.96	60.39
Liabilities/Provisions no longer required written back	(537.35)	(881.93)
Provision for Doubtful Debts/ Advances no longer required written back	(150.50)	(66.55)
Interest Income	(58.13)	(25.11)
Loss on disposal of Fixed Asset/Fixed Assets Scrapped	13.84	93.89
Profit on sale of Fixed Assets	(2.41)	(1.16)
Exceptional Items (Refer Note 28)	203.48	911.68
Dividend from Long Term Investments-Other than Trade	(293.55)	(123.60)
	(66.75)	987.12
<b>Operating profit before Working Capital Changes</b>	<b>844.62</b>	<b>1,585.30</b>
<b>Changes in Working Capital:-</b>		
Increase in Trade Payables	734.24	842.46
Increase in Provisions	693.74	529.24
Increase in Other Current Liabilities	973.68	241.37
(Decrease) in Other Long Term Liabilities	-	(18.01)
(Increase)/ Decrease in Trade Receivables	808.31	(1,842.56)
(Increase)/ Decrease in Inventories	408.95	(246.90)
Decrease in Loans and Advances	(243.02)	35.96
Decrease in Other Non Current Assets	-	0.25
	3,375.90	(458.19)
<b>Cash generated from operations</b>	<b>4,220.52</b>	<b>1,127.11</b>
Direct Taxes (net of refund)	(1,032.60)	(861.28)
<b>Net cash generated from Operating Activities</b>	<b>3,187.92</b>	<b>265.83</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(732.69)	(343.46)
Sale of Fixed assets	2.96	120.46
Interest Received	40.88	25.11
Dividend from Long Term Investments-Other than Trade	293.55	123.60
Purchase of Investments in a subsidiary Company	(5.80)	(17.80)
<b>Net cash (used in) Investing Activities</b>	<b>(401.10)</b>	<b>(92.09)</b>

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)**

	(₹ in Lacs)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
<b>C. Cash Flow from Financing Activities</b>		
Repayment of Long Term Borrowings	-	(161.75)
Decrease in Cash Credit facilities from banks	(350.59)	(94.73)
Repayment of Short Term Borrowings	(67.50)	(7.50)
Interest paid	(38.22)	(43.12)
Other borrowing costs paid	(6.63)	(11.49)
Dividend Paid	(260.63)	(259.24)
Dividend Distribution Tax Paid	(53.14)	(44.36)
<b>Net cash (used in) Financing Activities</b>	<b>(776.71)</b>	<b>(622.19)</b>
<b>Net Increase in cash and cash equivalents (A+B+C)</b>	<b>2,010.11</b>	<b>(448.45)</b>
Cash and Cash Equivalents at the beginning of the year	545.69	994.14
Cash and Cash Equivalents at the end of the year	2,555.80	545.69

**Notes to Consolidated the Cash Flow Statement for the Year ended 31st March, 2016**

- The above Consolidated Cash Flow Statement has been prepared under the Indirect Method as set out in the Accounting Standard 3. On 'Cash Flow Statements' prescribed under the Companies Act of India.
- Cash and Cash equivalents comprise of :-

	(₹ in Lacs)	
	As at 31st March, 2016	As at 31st March, 2015
Cash on hand	5.35	5.85
Cheques on hand	0.91	-
Bank Balances	843.00	533.59
Unpaid Dividend @	5.40	4.99
Demand Deposits with banks (upto 3 months maturity )	1,700.00	-
Share of Joint Venture	1.14	1.26
[Note 29(b) to the Consolidated Financial Statements]		
<b>TOTAL</b>	<b>2,555.80</b>	<b>545.69</b>

@ Represents not available for use by the Company.

- Previous year's figures have been regrouped / rearranged, where considered necessary.

This is the Consolidated Cash Flow Statement referred to in our report of even date

For Price Waterhouse  
Firm Registration No. 301112 E  
Chartered Accountants  
(Pinaki Chowdhury)  
Partner  
Kolkata,  
25th May, 2016  
Membership No. - 057572

On behalf of the Board  
  
T. Paul  
Company Secretary  
V. Mehra  
Managing Director  
DIN - 03556680

G. B. Aayeer  
Chief Financial Officer & Director  
DIN - 00087760

## FORM AOC - I

(Pursuant 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

(₹ in Lacs)

Name of the subsidiary	Saregama Plc.	RPG Global Music Limited	Kolkata Metro Networks Ltd	Open Media Network Private Limited
1. Reporting period for the subsidiary concerned, if different from the holding company's reporting period	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 (Refer "#" below)	INR		
3. Share capital	52.91	1,026.20	1,705.00	107.56
4. Reserves & surplus	(42.94)	(1,476.41)	(150.71)	(1,984.22)
5. Total assets	493.98	10.19	1,930.86	497.70
6. Total Liabilities (excluding Capital and Reserves)	484.01	460.40	376.57	2,374.36
7. Details of Investment (except in case of investment in the Subsidiaries)	-	-	1,675.80	-
8. Turnover	566.34	1.51	115.26	914.06
9. Profit/(Loss) before taxation	(43.64)	(7.95)	41.00	(1,060.03)
10. Provision for taxation	-	-	-	-
11. Profit after taxation	(43.64)	(7.95)	41.00	(1,060.03)
12. Proposed Dividend	-	-	-	-
13. % of shareholding	76.41%	100%	100%	100.00%

# - Exchange rates as at year end considered for conversion:

GBP 1 = ₹ 94.27 for Current Asset (Closing Buying Rate), Fixed Asset, Share Capital, Share Premium at Historical cost

GBP 1 = ₹ 96.15 for Secured loan and Current Liabilities &amp; Provision (Closing Selling Rate)

GBP 1 = ₹ 99.52 for Income (Average Selling Rate)

GBP 1 = ₹ 97.58 for Expense (Average Buying Rate)

## Part "B": Associates and Joint Ventures

(₹ in Lacs)

Name of Associates/Joint Ventures	Saregama Regency Optimedia Private Limited
1. Latest audited Balance Sheet Date	31st March, 2016
2. Shares of Associate/Joint Ventures held by the company on the year end	
No.	1,459,684
Amount of Investment in Associates/Joint Venture	145.97
Extend of Holding %	26%
3. Description of how there is significant influence	N.A.
4. Reason why the associate/joint venture is not consolidated	N.A.
5. Networth attributable to Shareholding as per latest audited Balance Sheet	(107.79)
6. Profit / Loss for the year	
i. Considered in Consolidation	(31.56)
ii. Not Considered in Consolidation	(89.81)

For Price Waterhouse  
Firm Registration No. 301112 E  
Chartered Accountants  
(Pinaki Chowdhury)  
Partner  
Membership No. - 057572

Kolkata,  
25th May, 2016

On behalf of the Board

T. Paul  
Company Secretary

V. Mehra  
Managing Director  
DIN - 03556680

G. B. Aayeer  
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NOTES