RP-Sanjiv Goenka Group

saregama

SAREGAMA INDIA LIMITED

MUSIC | FILMS | WEB SERIES | TV SERIALS

"Ruk jana nahin
Tu kahin haar ke,
Kaanton pe chalke
Milenge saaye bahaar ke"

Riding the Stay-at-Home wave

ANNUAL REPORT 2019-20

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

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

Mrs. Avarna Jain
(DIN: 02106305)
Non-Executive Director

Mr. Vikram Mehra
(DIN: 03556680)
Managing Director

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

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

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

Ms. Kusum Dadoo
(DIN: 06967827)
Non-Executive Independent Director

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

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

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

Regional Offices

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

Chennai
Door No. 2, 3, 4 & 5, 3rd Floor, Kasi Arcade, No. 116,
Thyagaraya Road, T. Nagar, Chennai – 600 017
Phone: 044 – 28151669 / 70 / 72 / 75

Chandigarh
Royal Business Park ,Unit No.12A & 15, 3rd Floor,
Chandigarh- Delhi Highway, Zirakpur, Punjab - 140603

Ahmedabad
C-405/406 Supath-2, Near Starottel Hotel,
Near Old Wadaj Bus Stop, Usmanpura, Ahmedabad - 380013

Chief Financial Officer - Mr. Vineet Garg

Company Secretary - Ms. Kamana Khetan

Bankers
Punjab National Bank (erstwhile United Bank of India)
State Bank of India
ICICI Bank Limited

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

Internal Auditor
Ernst and Young LLP

Secretarial Auditor
MR & Associates

Cost Auditor
Shome and Banerjee

Legal Advisor
Khaitan & Company

Registrars and Share Transfer Agent
MCS Share Transfer Agent Ltd.

TABLE OF CONTENTS

1 Business overview

Overview ____ 2
Environment, Social and Governance Report ____ 16
Management Discussion and Analysis ____ 17

2 Statutory Reports

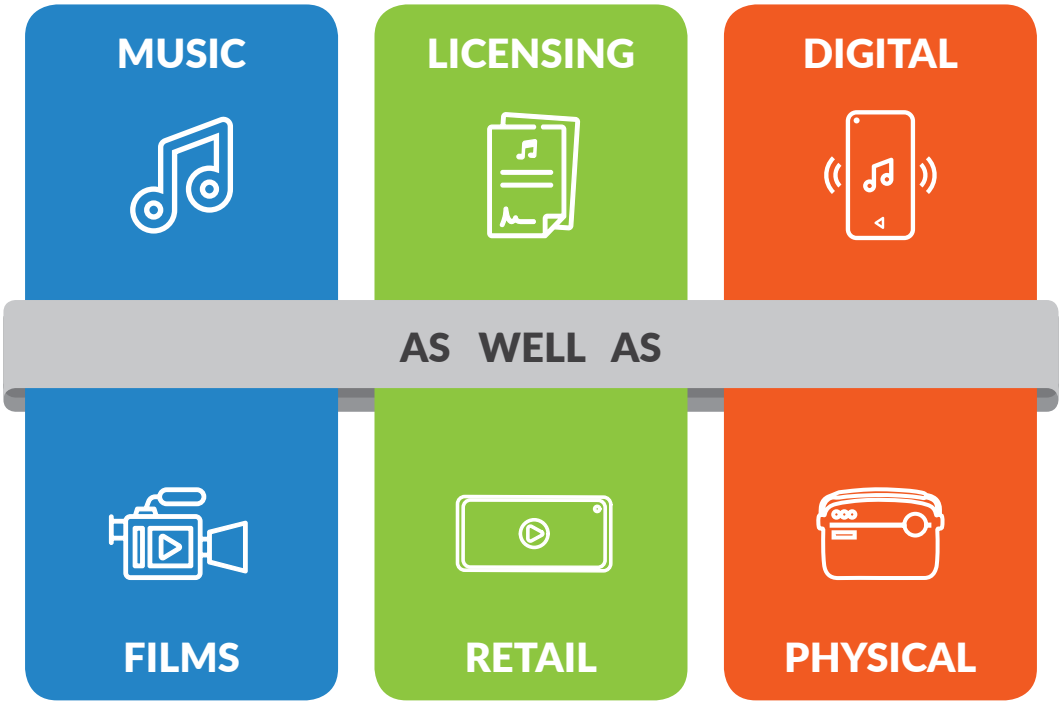
Board's Report ____ 22
Report on Corporate Governance ____ 44
Business Responsibility Report ____ 61

3 Financial Statements

Independent Auditor's Report on Standalone Financial Statements ____ 66
Standalone Financial Statements ____ 74
Independent Auditor's Report on Consolidated Financial Statements ____ 133
Consolidated Financial Statements ____ 138
Statement under Section 129(3) of the Companies Act, 2013 in Form AOC-1 ____ 194

Notice of Annual General Meeting ____ 195

SAREGAMA
INDIA'S ONLY
Entertainment Company
into



Music	Retail Business	Films IP	Television Serials
Indias Largest Music IP	Distribution network	Content IP rights of	Content IP rights of
120k+	28k+	59	6k+
Songs	Retailers	Films	Hours of Television Serials

COMPANY STRATEGY

To be a **Pure Play Content Company** capitalising on the global content consumption boom driven by higher smartphone penetration, lower data costs and the recent phenomenon of greater time spent at home.

Monetisation of Existing IP

- Through licensing to EVERY 3rd party digital and TV platform.
- Carvaan transitioning from being a Product with only one-time margin to a Platform with upfront margin and recurring advertising and subscription revenue.
- Strengthening of copyright societies.

Building of New IP

- Cementing leadership position with New film and non-film music acquisition across Hindi, Tamil, Bhojpuri, Punjabi and other regional languages.
- Producing Thematic films, with Story as the only hero, targeted at youth. Revenue primarily from licensing to digital platforms. Scale allowing lower cost of production.

IP Creation over next 3 years

20% Market Share
in New Film Music

50 New Films and Web Series

1,800 hours
of new TV serials content

BUSINESS OVERVIEW

MUSIC SEGMENT

Saregama is India's oldest music label with the **largest library of intellectual property rights** (120k+) related to songs, film dialogues, background scores in its bouquet. To put things in perspective, a new music label acquiring music of 200 films per year (typical movie has 5 songs) will take 120 years to build a library of this size.

This library includes music from the likes of Lata Mangeshkar, Kishore Kumar, Asha Bhonsle, RD Burman, Naushad, Mohd. Rafi, Jagjit Singh, MS Subbalakshmi, Pt. Ravi Shankar, Ustad Bismillah Khan, Ilaiyaraaja, Gulzar, Sahir Ludhianvi etc.

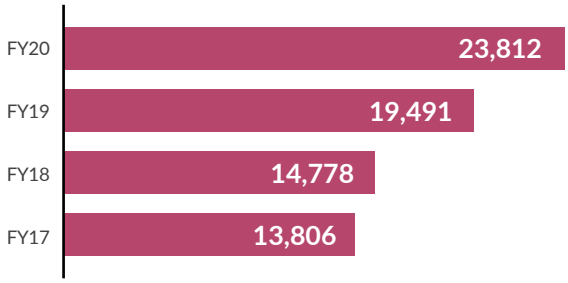
It's not just music, it's India's cultural heritage.

Unlike some of the of the international music labels, Saregama's song IP ownership includes both the Master (actual song) and Publishing rights (lyrics, composition) across all media for global territory. All adaptations of these songs need Saregama's approval. Each of these songs is fully digitized with rich meta data behind it, making the song selection process easier for the end user.

Both the Quality and Quantity of Saregama owned songs ensure that every music and video platform (digital and TV) trying to target 1/6th of humanity, gets into a licensing partnership with Saregama

Fast Growing Licensing Revenue

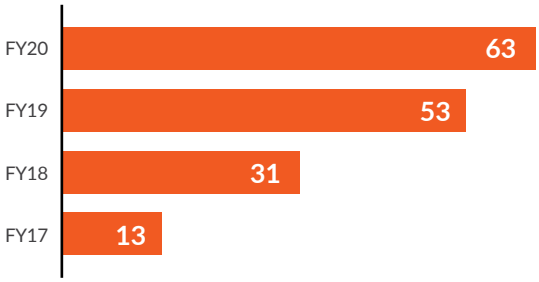
Growth in Licensing Revenue (INR Lakhs)



On account of

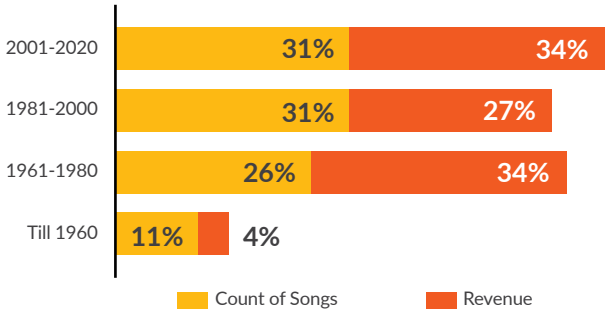
A. Growth in Catalogue Usage (Bn)

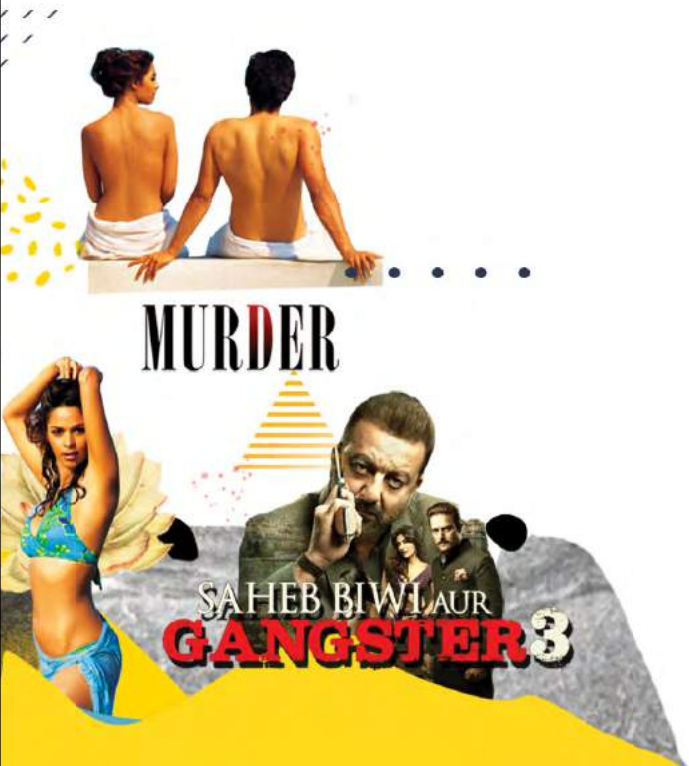
Catalogue usage is increasing multifold on digital media



B. Newer Music

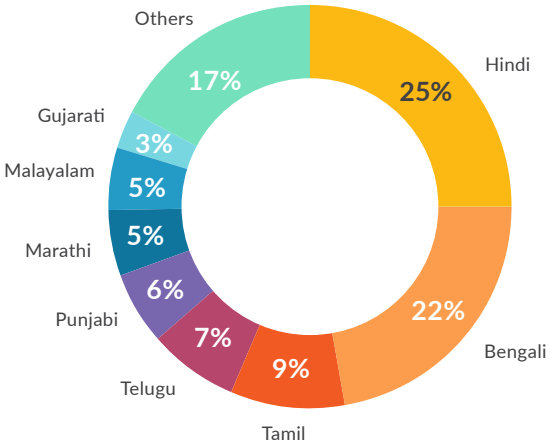
30% of Saregama's Songs, by count and revenue, belong to the 21st century





C. Riding the wave of increasing regional content consumption

With large music IP ownership across 18 different languages, Hindustani, Carnatic and Classical music, Saregama is uniquely poised to benefit from the regional language content boom



MUSIC SEGMENT *(CONTINUED)*

MUSIC IP CREATION

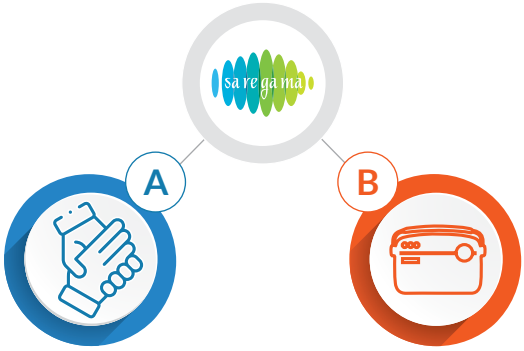
The company has started enhancing its catalogue of Music Intellectual Properties through new film music acquisitions across Hindi and Tamil films and non-film songs across Punjabi, Bhojpuri, Gujarati and Hindi languages.

The selection process is both data driven and intuitive in nature with high focus on Monetisation and Return on Investment. It takes into consideration last 3 years track record of the singer, music composer, lyricist, actors, production house and the popularity of the music genre. This is combined by a music listening session by the content and marketing teams. The company also continuously re-interprets existing songs through new age artistes targeting the younger age group.

MUSIC SEGMENT *(CONTINUED)*

MUSIC IP MONETISATION

Saregama adopts a 2-pronged approach for monetizing its music



Licensing to 3rd party platforms

Retailing directly through Carvaan

The company's evergreen catalogue remains the preferred choice for music streaming platforms, TV channels, web series, brand advertisements etc. Saregama's music IP got used 5.5B times in Mar'20 across audio OTT platforms, Youtube, radio stations, TV channels, concerts etc.

With more and more people opting to ***Stay-at-Home***, Saregama believes music consumption will see a steady rise both directly (song listening) and indirectly (songs being used in web series)

A. Licensing to 3rd party platforms

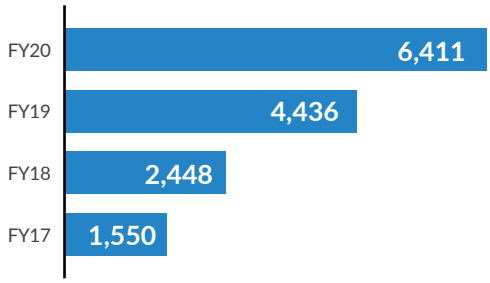
A.1. Music Streaming Platforms (OTT)

Saregama Music is licensed to **over 45 OTT Global Platforms**

Saregama licenses its music for online streaming to various Indian and global music streaming platforms. This segment has grown in the past by 40% yoy, and is expected to grow even faster now in light of people spending more time at home.

The extended ***Stay-at-Home*** due to Covid-19 lockdown has resulted in a sharp growth in both first-time users as well as number of streams per user

Number of OTT Streams (Mn Annually)



Jio saavn
gaana.com
hungama Music
WYNK MUSIC
Spotify
amazon prime music
MUSIC
YouTube Music
resso
deezer

MUSIC SEGMENT *(CONTINUED)*

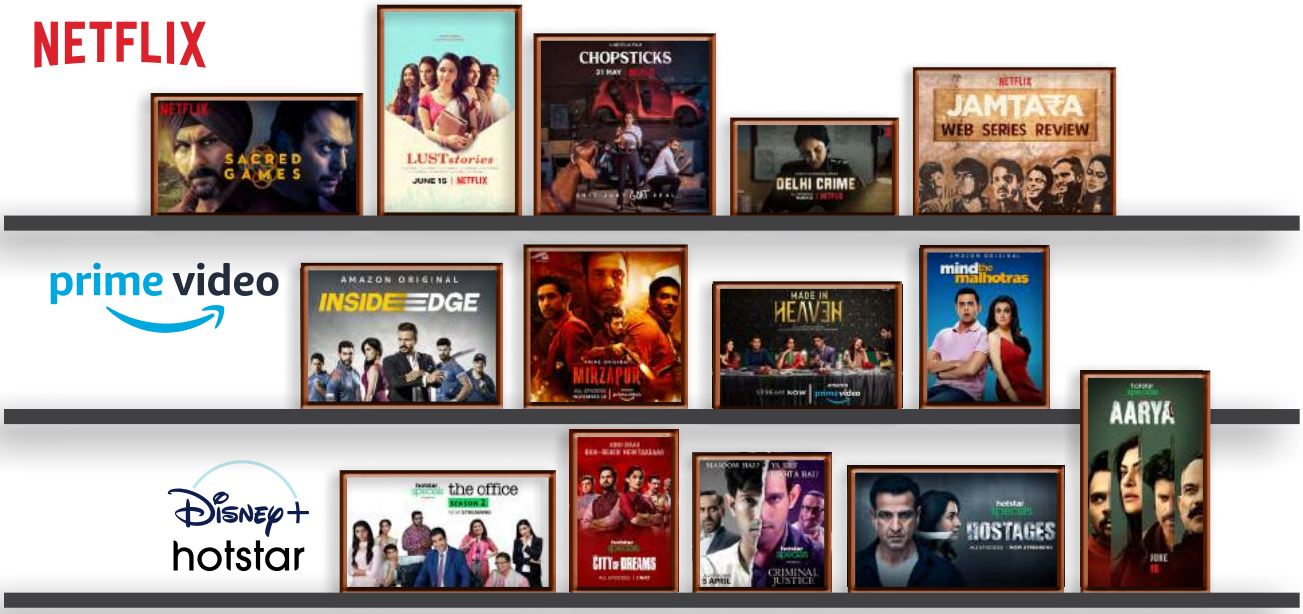
A.2. Broadcast Platforms – TV Channels, Brand Advertising

The company Licenses its music to Television Channels for use in various TV serials, reality shows, promotions, etc. and also to Production houses for use in ads running on TV, Digital including Social Media and Radio. Saregama has built a browser based search functionality, using the song metadata, helping content creators find the best song fit for their situation.

A.3. Video Streaming Platforms

With the rising popularity of video streaming in India, platforms like Netflix, Disney+ Hotstar, Amazon, MX Player etc are aggressively investing in Indian content. Most of these new shows license Saregama owned music, for the global territory, thus creating a rapidly growing revenue stream for the company.

Shows licensing Saregama Music



MUSIC SEGMENT *(CONTINUED)*

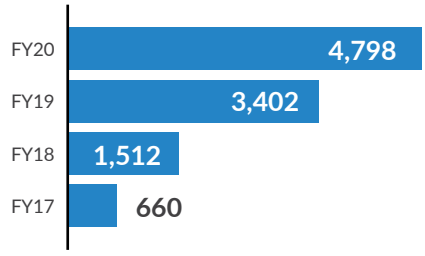
A.4. Social Media Platforms

Saregama has
23 channels on YouTube
with a cumulative subscriber base of
over 29 Mn

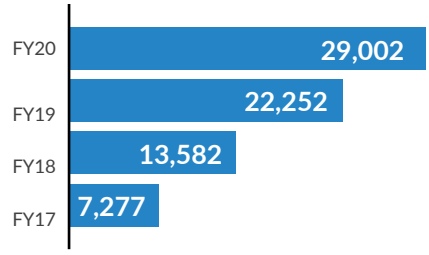
The monthly views on Saregama's YouTube channels have grown from 0.5 Mn to 436 Mn in a span of 50 mos. **YouTube** generates advertising revenues on these views which are shared with Saregama. This also applies to advertising running on 3rd party content that is using any of Saregama's IP (song, lyrics, music composition, dialogues) within the video.

Recently Saregama also signed a licensing deal with **Facebook** and **Instagram**. The company has a team of content experts who constantly monitor usage of its music by 3rd party videos across social media platforms and apps to catch any unauthorized usage.

YouTube - Saregama Channel Views (Mn Annually)



YouTube - 3rd Party Videos (using Saregama content) Views (Mn Annually)



A.5. Societies

Saregama also licenses its music library to a collective body called PPL for Public Performance licensing. This society is responsible for issuing licenses for playing of music in events, shows, parties held in public places and in commercial premises like hotels, pubs, shops, malls etc. Saregama gets a share of the Revenue generated from the issue of these licenses.

With performing rights society (IPRS) getting copyright registration, a so far untapped source of revenue is getting opened up for Saregama as a Music Publisher (owner of lyrics and composition). IPRS issues publishing licenses to Music Users and collects Royalties from them, for and on behalf of its Members i.e. the Lyricists (25%), the Composers (25%) and the Publishers of Music (50%).

IPRS has been recently recognised as the
fastest growing copyright society in the world.

MUSIC SEGMENT *(CONTINUED)*

B. Retailing directly through Carvaan

Carvaan: The most **"DIFFERENTIATED"** and **"PREMIUM"** music brand in India

Carvaan's annual revenue greater than the cumulative revenue of all music streaming apps in India

Launched in 2017, it's an audio player with inbuilt speakers and 5,000 preloaded songs, allowing customers to listen to their favorite music anytime without any ad breaks. The product also doubles up as a Bluetooth speaker and FM radio.

SAREGAMA CARVAAN™

Targeted at the 35+ generation, who **value Convenience over Control** for their audio listening experience

The Product

Saregama's flagship product, Carvaan, is a perfect blend of digital technology and a retro form factor. The embedded songs are selected using data analytics, and are classified based on singers, lyricists, music composers, actors, moods etc. Carvaan is positioned as a perfect gifting option by the young to the old and by Corporates. In the last two years, Saregama has successfully launched multiple variations of Carvaan, in terms of sizes, price points and languages, including one with Harman Kardon. The product is retailed through 28k+ retail outlets and all leading e-commerce platforms

Product to Platform

Carvaan has been a huge success with middle-aged Indians.

Saregama plans to now evolve the brand from a standalone Product to a Platform offering all kinds of daily updatable audio content to people living in India and abroad.

The biggest advantage of converting **Carvaan to a Platform is that it will allow us to generate recurring advertising and subscription revenue** in the future.

VIDEO SEGMENT

Yoodlee Films

Yoodlee Films is Saregama's production house focused on creating content for 3rd party digital platforms.

The studio is positioned as a "Writer's Studio" focused on telling powerful stories targeted at younger audiences across the world who primarily consume content on personal devices.

13 Movies Licensed
in last 32 months

The greatest focus of the studio is on script selection which is a rigorous process managed by a team of script readers who evaluate every script on a pre-defined quantitative scale. A lot of care is taken to shield this team from any internal and external influences. In order to attract more writers to work with us, Saregama has signed up with multiple talent agencies, commits to a finite timeline to take decisions and offers profit sharing to authors.

On the production side, Saregama makes films with the lowest expenses along with the help of an experienced in-house creative team that has won many awards and accolades in the feature film category. The company hedges its risk by keeping upfront talent cost low by offering assured profit sharing to key artistes. This brings skin of the talent in the movie and assures excellent quality. Further, the company follows a conservative accounting policy of expensing the total cost of the film in the year of release.

The company has released 13 films in last 32 months on Netflix and Disney+ Hotstar

- NETFLIX — 3 Netflix Originals, 7 Licensing Deals
- Disney+ hotstar — 3 Hotstar Originals

VIDEO SEGMENT *(CONTINUED)*

BROADCASTING

Tamil TV Serials

Over the last 19 years, Saregama has created over 6k hours of content for Sun TV and at any given time broadcasts 3-4 serials creating around 15-16 hours of content per week. The IP of these serials is owned by Saregama which is also monetised on other platforms like YouTube (75 Mn views per month).

The company's
top serial Roja
has been the
No.1 Tamil program
for over 6 months

6k+ hours
of content for Sun TV

PUBLICATION SEGMENT

PUBLICATION SEGMENT IP CREATION & MONETISATION

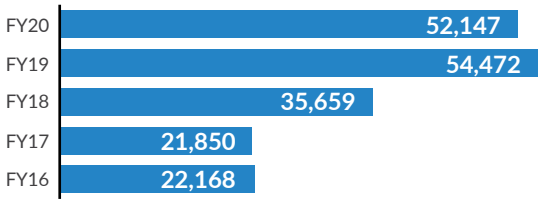
Open Magazine

The Publication segment includes the publication of Open Magazine, a weekly current affairs and features magazine, through a 100% owned subsidiary. The magazine targets the top strata of the society and highly intellectual readers and provides platform to top brands to promote their product and services.

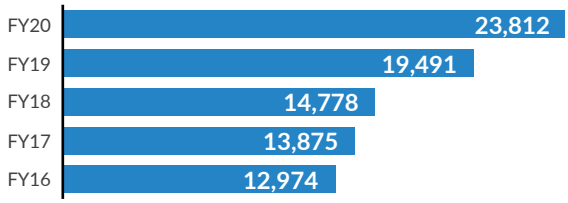
Open Magazine was launched in April 2009 and was originally available in 12 Indian cities. It is now also available as an e-Magazine to enhance its reach beyond boundaries.

KEY PERFORMANCE INDICATORS

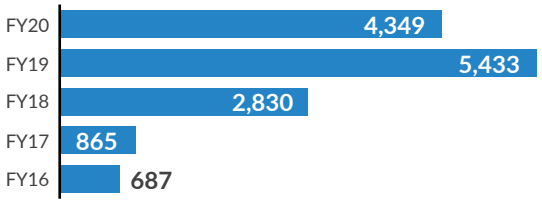
Revenue from Operations (Turnover) (INR Lakhs)



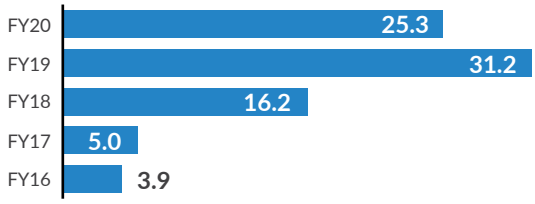
Music Licensing Revenue (INR Lakhs)



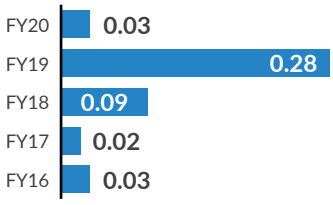
PAT (INR Lakhs)



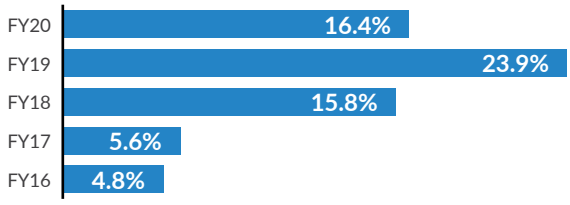
Diluted EPS (INR)



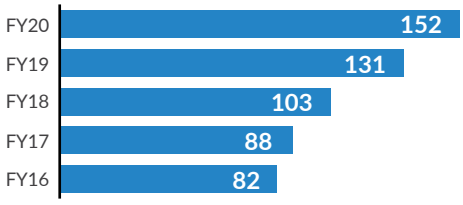
Debt to Equity Ratio



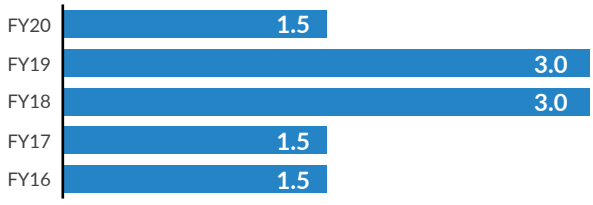
Return on Equity (ROE) (%)*



Book Value Per Share (INR)



Dividend per Share (INR)



* Equity = Equity share capital and free reserves
Numbers are from consolidated financial statements

MANAGEMENT TEAM

Vikram Mehra
Managing Director

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

Vineet Garg
Chief Financial Officer

Vineet is a Chartered Accountant with a career spanning 25+ years in the Telecom & Media Industry. He has worked at Leadership positions with companies like Escotel Communications (Idea cellular), Reliance Telecom, BPL Mobile (Vodafone), Tata-teleservice & Reliance Communications. His last assignment was with Hathway Cable as Chief Financial Officer. He has proven experience in harnessing strategic and operational drivers to deliver results.

Rashna Pochkhanwala
Vice President, Music Licensing

Rashna has Media Sales and Licensing experience of 16 years across the Music & TV industry. Times Group, Network 18, Hungama, and UTV. She headed branded content and large format event monetization for Times Global. Rashna is reponsible for both creation and monetization through Licensing for the Music segment.

Kumar Ajit
Sr. Vice President, Music Retail

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

Siddharth Anand Kumar
Vice President, Films and Series

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

B. R. Vijayalakshmi
Sr. Vice President, South TV

Vijayalakshmi started her career as a Director of Photography. She has the distinction of being mentioned in the Limca Book of Records as Asia's First Woman Cinematographer producing approximately 4,000 hours of TV content from 2001, in all genres and all south languages.

ENVIRONMENT, SOCIAL AND GOVERNANCE

Saregama has embraced the tenets of ESG as a way of life in its daily operations. The ESG management has chartered out guidelines and directives for a conducive work environment which is diverse and inclusive, and has governance systems and risk controls in place. While the company is driven to serve its customers with meticulous efficiency and transparency, it also strives to contribute to the social eco-system with a renewed sense of responsibility and sustainability.

Environment:

Saregama has prioritized its efforts in reducing the carbon footprint and developing ideas and solutions for environment conservation. Various initiatives have been set afoot in this regard.

In its day-to-day operations, to nurture an environmentally conscious work environment, the Company ensures all employees are provided with energy-efficient computers. All the electrical equipments bought by the company have to comply by the accepted energy conservation guidelines.

The body of Carvaan – the flagship music product of Saregama- is made from 100 % recyclable Plastic, as is the entire packaging material, which is made from 100 % recyclable & biodegradable paper.

Not just for itself, the Company works with partners who comply with all applicable environmental and energy conservation regulations and norms.

Social:

Saregama has always prided itself in forging a personal dynamic with the people it engages with. The relationships extend beyond the structured paradigms that exist in the corporate workplace, to create an inclusive social fabric. The Company has leveraged the inherent power of its music catalogue and its burgeoning film business to nurture local communities, and engage on relevant social issues.

The latest initiative of Saregama has the company reach out to several old age homes across the country and gifting their senior members Carvaans - the perfect embodiment of nostalgia and music.

The recent films from the Yoodlee stable – KD (Tamil), Hamid, Noblemen and Axone - traverse topics as diverse as caring for the elderly to the politics of strife in Kashmir, to the rampant and often times shocking repercussions of bullying, to the notion of regionalism and racism that individuals are sometimes inherently guilty of.

Governance:

Saregama has been fully committed in upholding the highest Corporate Governance standards. Forging ahead with an innate sense of trust with its stakeholders, the company's governance standards reflect the integrity and transparency it follows in its day to day operations. This encompasses everything from the internal code of conduct policies to human resources, independent and diverse board of directors, accounting transparency, stakeholder rights and other credible business practices. The Company has invested in governance centric initiatives (compliance management tools) comprising of management leadership, accounting transparency (SAP-ERP), stakeholders rights and other credible business practices. The Company's Board has four experienced Independent Directors drawn from various fields. The Company's policies are uploaded on its website from time to time for regular perusal.

MANAGEMENT DISCUSSION AND ANALYSIS

Covid-19 and Entertainment

The impact of Covid-19 on the global economy has been catastrophic – most economies are expected to contract by 5-10% this year. The condition of Indian economy is no different. With lower consumer demand, exploding job losses, closure of retail outlets etc., the immediate future doesn't look very rosy for the economy. With a vaccine or medicine still some time away, the impact of this pandemic is expected to last for at least the near future.

Apart from the economic impact, this pandemic has brought about massive social changes. In line with social distancing guidelines most Indians are increasingly opting to ***Stay-at-Home***, and many companies have announced plans for their employees to operate from their homes for the next 6-12 months. We expect Work-from-Home to become the new normal for most white-collared Indians.

Also, the fear of going to public places will result in family entertainment-led outings coming down dramatically. Most families will skip their weekly visits to shopping-malls/ movie halls/restaurants and will try to find entertainment options at home only. Even as normalcy returns, we will find the elderly preferring to ***Stay-at-Home*** as they are more susceptible to infection.

They say habit changes happen over 21 days. The habit of stay at home may just become a permanent one. With families spending the bulk of their time at home, the need for entertainment will shoot up dramatically. This will range from Movies to Web Series to Music to Podcasts to Gaming.

Companies offering this Content without disproportionate dependence on advertising revenue will be able to capitalize on this *Stay-at-Home* wave.

Media & Entertainment Industry

According to FICCI, the Indian M&E sector reached INR 1.67 Tn in 2018, a growth of 13.4% over 2017 and was expected to grow to INR 2.35 Tn by 2021. All was on track till Covid-19 impact adversely hit parts of the industry, some short-term (advertising dependent businesses) and others medium-term (out-of-home experiences). But it also gave a huge fillip to in-home consumption (Films, Series, Music, Gaming). The biggest beneficiaries have been the digital platforms (Video and Music) who have seen tremendous growth in both first-time users as well as time spent per user.

But amidst all this, the biggest beneficiary has been Content.There is more content getting consumed by more number of people in the post-Covid era than the pre-Covid one.

The biggest beneficiary of *Stay-at-home* phenomenon has been Content

The digital revolution has been knocking at the door of entertainment industry for some time but is now set to boom. This is courtesy multiple infrastructural and social changes happening across our country. The foremost is the explosion of smartphone ownership which has put a smart TV screen in the hands of 500-550 Mn people in the country. The next driver is the low cost of data which is taking away the cost barrier from the minds of customers while they are streaming content (a 2 hr movie in HD uses 1.8 GB data at INR 9, while an hour of high-quality music streaming uses 115 MB data at 56 paisa).

Content streaming is now both accessible as well as affordable, and we're still at the tip of this iceberg.

The next question is what kind of content will be seen by these people. Till the last decade our social values gave a lot of importance to consuming content together as a family *(joh family TV dekhe saath-saath, woh rahe saath-saath)*. Hence, a single large-format film that appealed to the lowest common denominator was enough to satisfy an entire family's entertainment needs. But this is changing now, and it's increasingly acceptable for each member of the family to watch different content on their respective devices at the same time.

This means not only are more hours of content being consumed per family, but also the consumed content is more varied, creating space for both traditional and new-age story content creators. The same is true for music too, as every member of the family listens to their kind of music.

The digital revolution has other implications on the content economy. On-demand content makes it imperative for creators to use every available trick in the book to ensure the audience stays with them and does not switch to something else. We are seeing a trend of popular music being used to drive narrative and emotion in many of the recently successful shows such as *Aarya* (Disney+ Hotstar), *Delhi Crimes* (Netflix) etc. which have used Saregama's music extensively.

Content creators who are well-funded with strong delivery processes and the backing of an existing IP bank will be well-positioned to take advantage of this opportunity.

The other positive change is the slowly rising popularity of Indian content across global audiences. This is triggered by the easier availability of Indian content across all global digital streaming platforms, and an increasing willingness to watch content with subtitles. Here, it's not just the A-lister films, but smaller thematic films and Indian music that's getting appreciated.

Great news for Indian content owners/creators as it will ensure higher value for every minute of content owned/created.

Over the next decade, over two dozen well-funded video and audio OTT platforms will fight amongst themselves and with the existing 900 TV and 360 radio stations in India for the consumer's time and money, and the weapon of choice in this war will be Content.

Though theoretically speaking, the platforms can create content themselves, but in reality, the sheer volume and quality of content will ensure that most platforms work with high-quality Content Creators.

With its century-old experience in Music, nineteen years of creating hit TV series, proven track record of making high-concept tight-budgeted films in large numbers, existing relationships with leading digital platforms, TV channels and film production studios, across all Indian languages, Saregama is uniquely placed in the Content Creation ecosystem, both in audio and video.

Add to this the company's strength in product development, marketing, investments in data analytics and 28k+ strong retail network, and you get the most unique Content Company in India.

Saregama is pinning its growth ambitions on 3 pillars: monetizing the existing IP, creating new IP, and the direct-to-consumer retail business.

IP Content Monetisation

As per E&Y and FICCI, the Indian music segment grew 10% to reach INR 15 Bn in 2019. It is expected to grow 10% annually till 2022, on the back of increased digital revenues, performance rights and synchronization rights.

India was at the 19th position in IFPI world rankings of music markets. The biggest trigger for growth will be the declining music piracy, which is the result of both carrot (millions of curated songs available free at click-of-a-button on digital platforms like Gaana, JioSaavn, Spotify etc) and stick (joint anti-piracy initiatives between Govt. and Industry).

The continuous growth of digital infrastructure has paved the way for a 50% growth in audio streaming. Leading platforms like Gaana and JioSaavn now claim 100 M monthly active users. Indian internet users surveyed by IFPI spent 19.1 hours listening to music per week i.e., approximately three hours each day - which is more than the global weekly average. Indian internet users in the 16-24 years age group listened to 23.9 hours per week on average. 81% users engaged with free audio streaming services.

Currently Saregama charges platforms on a per stream basis plus a share of advertising revenues for the advertising based free service. This revenue has been growing at 40% over the last three years. The experience of DTH in India and music services in USA, China tells us that as the consumer evolves, they move from the advertising led free service to an ad-free premium paid service.

If the paid subscriber base of music streaming apps in India move from present 1% to 3-4%, the digital revenues can propel the necessary growth to push the Indian music market towards INR 20 Bn and beyond. This will result in much bigger revenue opportunity for Saregama, as it contractually also gets a share of subscription revenue from the platforms.

An equally fast-growing revenue segment for Saregama is Music Publishing, wherein licenses are given for our music usage (including lyrics and tune) to general entertainment TV channels for reality shows & serials, new films (for background sync & remixes), social media platforms, radio stations, parties and functions, playing music in public spaces etc.

As more and more video content will get created to satisfy the ever-growing demand from customers sitting at home, there will be more and more opportunities for Saregama to sync its music. This is even truer for the digital video platforms like Netflix and Hotstar creating hundreds of hours of premium content.

Stay-at-home will also result in a greater amount of User generated Content being created and uploaded on platforms like Youtube, Facebook, TikTok etc. Most of this content ends up using Saregama IP (song, lyrics), thus ensuring a publishing license being taken by these platforms.

The recent months have seen a lot more players coming in the fray, thus improving Saregama's future revenue potential.

IP Content Creation

While Saregama thrives on its legacy music catalogue, it is fully aware that it has to keep investing in new content in order to remain relevant 25 years from now.

The company decided four years back to ramp-up its investment in new music, digital films and serials in a gradual and systematic fashion.

The company has invested in data analytics to take educated decisions while investing in new music, and also, in building processes that ensure "within-budget/on-time" completion of its movies and series.

New Music

After a long break the company once again started acquiring new film music of Hindi and Tamil films in 2017. The strategy was to build up the slate over time. With the cost of new music rising, the company has planned its acquisition strategy meticulously in terms of stature of the films, quality of the music and optimum pricing.

Encouraged by the rising popularity of regional language content, Saregama also acquired non-film songs in Bhojpuri and Punjabi languages. As part of the same strategy, it started a new Bhojpuri channel on YouTube, which has already received 120 M views in four months.

During this financial year, we added audio & video rights of 289 new film and non-film songs, for global territory and in perpetuity. The monetization of these songs started immediately through music streaming platforms, music video licensing, social media platforms etc.

Films

The last few years have been favorable for the Indian film industry with the growth coming not only from domestic box-office collections but also overseas theatrical releases and escalation in satellite rights values. Indian consumers have also taken to online video viewing in big way. As per E&Y, the country is expected to become the second largest online video viewing audience globally.

This exponential growth of video consumption over digital media has encouraged the entry of large global digital video players by launching their platforms. To gain a foothold in India's highly competitive OTT segment, there is a frenzy among the global players to sign content licensing deals with local content makers to expand their content library. They are investing heavily in original film content to meet the audience demands.

To capitalize on this growing video boom, Saregama decided in 2017 to launch into the promising business of Digital Films under the sub-brand, Yoodlee Films.

Yoodlee Films is a fully integrated film production studio that uses many innovative strategies to make highly thematic films aimed at the growing digital-first audiences.

The focus is on talent discovery, methodical decision-making in story selection, transparent processes and profit-sharing with talent as well as keeping line-production fully in-house to prevent budgetary overruns. The company's ability to get better composers and singers allows it to make music an integral part of the films, while also leveraging the rich catalogue of songs to enhance them.

In the last 30 months, Saregama has licensed 10 of its films to Netflix for the global territory, making it the only non-major studio to do so. Three of these films (*Brij Mohan Amar Rahein, Music Teacher and Ashcharyachakit have been taken by Netflix as Originals*). This year also saw us delivering 3 originals to Disney+ Hotstar namely *Kanpuriye, Chappad Phaad Ke and Bahut Hua Samman*, while our film Hamid won 2 prestigious national awards.

National Awards won for our film Hamid

Best Urdu Film

Best Child Actor

An equally impressive achievement was that each of the 13 films delivered so far has been completed "within-budget and on-time". This has been achieved by taking individual discretion out of script selection process and turning the entire production and post-production activity into an assembly line process with benchmarks for costs and timelines set using all the films data, thus ensuring faster releases, greater credibility with partners and lower cost of capital.

We believe that these processes can be scaled up easily to produce 12-15 films and digital series a year, with each carrying a combination of new as well as catalogue music, and thus create a strong future-ready company in terms of new IP.

TV Serials

Saregama's TV serial vertical has been producing immensely popular shows for 19 years now, with the number one rated show Roja in the highly competitive Tamil broadcasting market.

With over 6k hours of original programming, we have created an impenetrable niche for ourselves in Tamil, recently branching into other languages like Telegu and Malayalam. The

nature of the contracts with broadcasters allows us to retain the IP of all the shows produced, which further enhance and future-proof our library.

Direct to Consumer Business

The most talked about product innovation coming from India in the recent times is Saregama Carvaan.

Carvaan is a product borne out of extensive consumer research done by the company which resulted in highly successful combination of convenience and nostalgia in a digital audio player.

A series of highly innovative and award-winning marketing campaigns positioned it as the most coveted and talked about gifting and music brand in the country.

The company has built a robust consumer insight-driven product development team that constantly works on newer concepts and existing product enhancements, many of which were launched this year, including a WiFi enabled Carvaan. We have built our own pan-India distribution network across consumer electronic, mobile handset, gifting, car accessories, and e-commerce stores etc. for retailing Carvaan.

This financial year saw the company building product awareness in the smaller towns using mainstream media. While being on track for the first three quarters, the sales plummeted in the fourth quarter on account of Covid-19: the shutdown of retail networks, postponement of product launches, modern retail outlets facing cash crunch etc. contributed to this.

However, the genesis of Carvaan was in innovation, and evolution remains the DNA of the product.
Now, the company plans to extend Carvaan from being just a Product offering preloaded Saregama songs to a Platform supporting 3rd party music and podcasts through streaming.

In the post Covid-19 era, we believe that elderly and middle-age people will be the most adversely affected in terms of going out of home. Their susceptibility to infection will ensure that most of them will opt to ***Stay-at-Home*** to the maximum extent possible. This will result in greater friction between grand-parents, parents and kids for home entertainment devices.

We believe that Carvaan, the platform offering music and podcasts, can be optimally positioned as the preferred entertainment device for this age group. This will build on the gifting value of the device and also make it more of a personal entertainment device.

As the base of Carvaan grows, the platform can be utilized for building advertising and subscription revenue. It will become a highly trackable and sharply positioned way for brands to engage with 'high-disposable income' 35+ yr consumers who are generally not found on traditional media services and platforms.

Conclusion

By using our core strength of a vast and irreplaceable catalogue of music, Saregama is combining a talent for innovation with a deep understanding of the entertainment industry to be a future ready content IP company.

While we are concerned about the impact COVID19 may have on the larger economy, we as Saregama are confident of further strengthening our position as the partner of choice for platform businesses as well as consumers in the days to come.

BOARDS' REPORT

Your Directors are pleased to present the Seventy-Third Annual Report of Saregama India Limited along with the audited accounts for the year ended 31st March, 2020.

1. FINANCIAL INFORMATION

A) **The performance of your Company for the year ended 31st March, 2020 is summarized below:**

(₹ In lakhs)

Particulars	Consolidated	Standalone	Consolidated	Standalone
	Year ended 31st March, 2020	Year ended 31st March, 2020	Year ended 31st March, 2019	Year ended 31st March, 2019
Total income	53,270.39	51,159.65	60,113.00	58,391.01
Profit/(Loss) from operations	6,034.77	6,578.96	8,467.97	8,226.52
Exceptional item	NIL	NIL	NIL	NIL
Provision for Contingencies	NIL	NIL	NIL	NIL
Profit before tax	6,034.77	6,578.96	8,467.97	8,226.52
Provision for Taxation				
Deferred Tax Charged / (Credit)	-328.64	-328.64	904.80	904.80
Current tax	2,013.95	2,008.33	2,130.51	2,128.70
Net profit (after tax and exceptional items)	4,349.45	4,899.27	5,432.66	5,193.02
Proposed Dividend (including tax thereon)	261.29	261.39	629.67	629.67
Transfer to general reserve	NIL	NIL	NIL	NIL
Free Reserves	24,731.85	26,934.67	21,011.56	22,704.36

Your Board is pleased to report a profit of ₹4,899.27 lakhs on a standalone basis for the year 2019-20.

Further, there is no amount proposed to be transferred to the Reserves.

B) OPERATIONS/ STATE OF COMPANY'S AFFAIRS

The operations/ state of the company's affairs forms part of the Management Discussion and Analysis Report forming part of the Annual Report.

C) DIVIDEND

Your Board is pleased to recommend a dividend of ₹ 1.50 per share for the year ended 31st March, 2020 subject to the approval of shareholders at the ensuing Annual General meeting.

D) CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company and its subsidiaries have been prepared in accordance with the provisions of the Companies Act, 2013 ("the Act") read with the Companies (Accounts) Rules, 2014, applicable Accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations") and it forms part of the Annual Report. Pursuant to Section 129 (3) of the Act, a statement containing the salient features of the financial statements of the subsidiary companies for the F.Y. 2019-20 is attached to the Financial Statements for the F.Y. 2019-20 in Form AOC-1. The Company will make available the said financial statements and related detailed information of the subsidiary companies upon request by any member of the Company or its subsidiary companies.

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

BOARDS' REPORT *(contd.)*

2. SHARE CAPITAL

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

During the year under review, 15,520 shares were allotted under Saregama Employee Stock Option Scheme 2013.

At the end of the financial year, the issued and paid-up share capital of the Company was ₹ 17,42,60,120 divided into 1,74,26,012 shares of ₹ 10/- each.

3. CORPORATE GOVERNANCE

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

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

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

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

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

4. EXTRACT OF ANNUAL RETURN

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

5. DIRECTORS AND KEY MANAGERIAL PERSONNEL/ SENIOR MANAGEMENT PERSONNEL

A) Change in Directors

During the year under review, the following were the changes in the Board of Directors:

a. Dr. Sanjiv Goenka is liable to retire by rotation, and being eligible, offers himself for re-appointment as a Director of the Company.

b. Re-appointment of Mr. Vikram Mehra as a Managing Director for a period of 5 years w.e.f. October 27, 2019.

c. Re-appointment of Mr. Umang Kanoria as an Independent Director on the Board of the Company for a term of 5 (five) consecutive years (on the basis of the report on his performance evaluation done by the Board), subject to Member's approval at the ensuing Annual General Meeting.

d. Re-appointment of Mr. Santanu Bhattacharya as an Independent Director on the Board of the Company for a term of 5 (five) consecutive years (on the basis of the report on his performance evaluation done by the Board), subject to Member's approval at the ensuing Annual General Meeting.

e. Re-appointment of Mr. Arindam Sarkar as an Independent Director on the Board of the Company for a term of 5 (five) consecutive years (on the basis of the report on his performance evaluation done by the Board), subject to Member's approval at the ensuing Annual General Meeting.

f. Appointment of Ms. Kusum Dadoo as an Additional Non-Executive Woman Independent Director, effective June 5, 2020 for a period of 5 consecutive years and recommended her appointment to shareholders at the ensuing Annual General meeting.

BOARDS' REPORT *(contd.)*

B) Independent Directors Declaration

The company has received the necessary declaration from the Independent Directors that they meet the criteria of independence as provided in Section 149 of the Companies Act, 2013. Further, the Company has formulated a Code of Conduct for Directors and Senior Management Personnel and all the Directors and Senior Management Personnel have complied with the Code.

C) Board Evaluation

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

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

D) Familiarisation Programme For Independent Directors

Pursuant to the requirement of Securities and Exchange Board of India vide Circular no. CIR/CFD/POLICY CELL/7/2014 dated September 15, 2014, the Company has in place a programme for familiarisation of the Independent Directors with the Company, details of which is available on the website of the company.

https://www.saregama.com/static/investors?srgm_tracker=footer

E) Key Managerial Personnel

During the year under review, there were no changes in Key Managerial Personnel.

6. POLICIES

A) Vigil Mechanism/Whistle Blower Policy

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

B) Nomination And Remuneration Policy

The Company has in place a Remuneration Policy for the Directors, Key Managerial Personnel, Senior Management and other Employees pursuant to the provisions of the Act and Regulation 19 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. The key changes, inter alia, include the change in the percentage of commission to Non-Executive/Independent Directors from 1% to 3%. The said policy is available on the website of the Company www.saregama.com.

C) Corporate Social Responsibility (CSR)

The brief outline of the CSR Policy of the Company along with the Annual Report on CSR activities is set out in "**Annexure B**" of this report. The policy is available on the Company's website.

(Weblink: https://www.saregama.com/static/investors?srgm_tracker=footer)

7. BOARD MEETINGS AND AUDIT COMMITTEE COMPOSITION

During the period under review, 4 (four) Board Meetings were held, details of which are given in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Act and Regulation 17 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

BOARDS' REPORT *(contd.)*

Currently, the Board has Five (5) committees, namely, Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility (''CSR'') Committee, Stakeholders' Relationship Committee and Finance Committee.

The Board of Directors at its meeting held on November 13, 2019 decided that there was no need to continue with the Committee of Directors (COD) formed by the Board of Directors (BOD) at its meeting held on October 24, 2000. Accordingly, the Board of Directors considered and approved the dissolution of the Committee of Directors with effect from November 13, 2019.

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

The Audit Committee comprises of following members:

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

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

8. PARTICULARS OF EMPLOYEES

The information on top 10 employees and employees who were in receipt of remuneration of not less than ₹ 1,02,00,000 (Rupees One Crore and two lakh only) during the year or ₹ 8,50,000 (Rupees Eight Lakh Fifty Thousand Only) per month during any part of the said year as required under Section 197 (12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in the Annexure forming part of the Report. In terms of the proviso to Section 136 (1) of the Act, the Report and Accounts are being sent to the shareholders excluding the aforesaid Annexure. Any member interested in obtaining a copy of the same may write to the Company Secretary.

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

9. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

10. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All contracts/arrangements/ transactions entered by the Company with the Related Parties during the financial period were on an Arm's length basis and were in compliance with the applicable provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has entered into an agreement for e-Magazine subscription & marketing consultancy between Saregama India Limited ("SIL") and Open Media Network Private Limited ("OMNPL"), Wholly Owned Subsidiary of the Company. The transaction is such that Open e-Magazine subscription shall be given to customers who purchase select variants of Carvaan. Further, OMNPL being in the Media & Publishing business, has extensive experience in the field of Media, Marketing (digital and social), Public Relations / Events Management, Customer Relationship Management, Advertising Campaign and similar activities. The above transaction shall be beneficial to promote the sale of the Carvaan variants and build allied e process, use of OMNPL's experience will be rewarding for company.

11. RISK MANAGEMENT

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

BOARDS' REPORT *(contd.)*

The Company is well aware of the above risks and as part of business strategy has put in a mechanism to ensure that they are mitigated by timely action. The Company has a Risk Management framework/policy to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. In the opinion of the Board, there are no such risks, which may threaten the existence of the Company.

12. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

13. AUDITORS

A) Statutory Auditors

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

B) Internal Auditors

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

C) Secretarial Auditors

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

D) Cost Auditors

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

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

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

14. DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors acknowledges the responsibility for ensuring compliances with the provisions of section 134(3)(c) read with section 134(5) of the Companies Act, 2013 in the preparation of the annual accounts for the year ended on March 31, 2020 and to the best of their knowledge and ability, confirm that:

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

b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2020, and of the profit and loss of the company for that year on that date;

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

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

BOARDS' REPORT *(contd.)*

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

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

15. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

(₹ In Lakhs)

Particulars	Current Year	Previous Year
Foreign Exchange used	8,338.05	18,405.44
Foreign Exchange earned	9,264.34	6,650.36

16. EMPLOYEES STOCK OPTION SCHEME 2013 AND AMENDMENTS IN THE SCHEME

The Company grants share-based benefits to eligible employees with a view to attracting and retaining the best talent, encouraging employees to align individual performances with Company objectives, and promoting increased participation by them. With a view to providing an opportunity to the employees of the Company to share the growth of the Company and to create long term wealth, the Company has an Employee Stock Option Scheme (ESOS), viz., the Saregama Employee Stock Option Scheme 2013 (ESOS 2013). The Scheme is applicable to all eligible employees and Directors of the Company and its Subsidiary Companies. The Scheme is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended ("SEBI (SBEB) Regulations") and a certificate from Statutory Auditors to that effect shall be placed at the Annual General Meeting.

At the Annual General Meeting held on July 19, 2019, the ESOS 2013 scheme was amended for implementation through the Trust which will be administered under the guidance, advice and direction of the Nomination & Remuneration Committee in accordance with the provisions of the Companies Act, 2013 and SEBI (SBEB) Regulations. The Board of Directors has facilitated setting up of Saregama Welfare Trust to implement the ESOS 2013 scheme which has been formed by the Company. The Company shall provide financial assistance to the Trust for the secondary acquisition of equity shares of the Company for the purpose of implementation of ESOS 2013 scheme. The terms and conditions for the financial assistance provided shall be in compliance with the Companies Act, 2013 read with Companies (Share Capital and Debenture) Rules, 2014 and SEBI (SBEB) Regulations. During the year ended March 31, 2020, the Trust has purchased 1,81,359 equity shares through secondary acquisition.

Disclosures with respect to Stock Options as required under Regulation 14 of the SEBI (SBEB) Regulations is available on the Company's website 'www.saregama.com'.

17. STOCK APPRECIATION RIGHTS SCHEME 2014 AND 2018

Your Company has further formulated the Saregama Stock Appreciation Rights Scheme - 2014 and 2018 for benefit of its employees as per applicable regulations of Securities and Exchange Board of India as amended from time to time and the said schemes are in compliance with SEBI (Share Based Employee Benefits) Regulations, 2014 as applicable and a certificate from Statutory Auditors to that effect shall be placed at the Annual General Meeting.

At the Annual General Meeting held on July 19, 2019, the shareholders approved the gradual cancellation of the SAR 2014 and SAR 2018 schemes and the continuance of the ESOP 2013 scheme albeit with certain amendments. The employees holding SARs under the SAR 2014 and SAR 2018 schemes will be granted an equivalent number of stock options under the amended ESOP 2013 scheme in lieu of and as and when the SARs under the respective schemes are cancelled by the Nomination and Remuneration Committee ("NRC").

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

BOARDS' REPORT *(contd.)*

In view of the cancellation of the entire SAR under the SAR scheme 2014, the SAR Scheme 2014 stands cancelled.

Disclosures with respect to Stock Appreciation Rights Scheme 2018 as required under Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, is available on the Company's website 'www.saregama.com'.

18. RIGHTS ISSUE

Out of 53,38,628 equity shares issued for cash at a premium of ₹ 35/- (issue price - ₹ 45/-) pursuant to the Rights Issue in 2005, allotment of 5,290 (31.03.2019 – 5,290) equity shares (relating to cases under litigation / pending clearance from concerned authorities) are in abeyance as on 31st March, 2020.

19. RATIO ANALYSIS

KEY RATIOS	STANDALONE	
	March-20	March-19
Net Profit Margin	10%	10%
Operating Profit Margin	14%	15%
Debt to Equity Ratio	2%	25%
Interest Coverage Ratio	22.8	25.0
Current Ratio	2.0	1.6
Debtor Turnover (Days)	80.5	78.6
Inventory Turnover (Days)	126.0	77.2
Return on net worth	17%	21%

Note:

a) Inventory turnover ratio showing increase in FY20 as against last year is due to increase in inventory of Carvaan as lower Carvaan sales in last quarter on account of a pandemic caused due to COVID -19, also higher number of digital films was under production.

b) During the financial year 2019-20, out of insurance claim received by the Company and cash generated from operations, Company has repaid majority of its borrowing amounting to ₹ 5,448 Lakhs including short term borrowing taken by the Company during FY 2018-19 to replenish the stock lost by fire in that year. The said repayment had resulted in an improved current ratio and falling of Debt to Equity Ratio from 25% as on March 31, 2019 to 2% as on March 31, 2020.

c) Fall in return on networth from 21% in March'19 to 17% in March' 20 is due to increase in shareholder's equity on account of retained earnings for the previous year coupled with marginal decrease in profit after tax for the year.

20. BUSINESS RESPONSIBILITY REPORT

Regulation 34 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended, requires top 1,000 listed entities based on market capitalization (calculated as on March 31 of every financial year), a business responsibility report describing the initiatives taken by them from an environmental, social and governance perspective, in the format as specified by the Board from time to time.

Since Saregama India Limited falls in Top 1,000 listed entities as on March 31, 2019, Business Responsibility Report for the year ended March 31, 2020 as stipulated under Regulation 34(3) of SEBI LODR Regulations is separately given and forms part of this Annual Report.

21. COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has complied with the Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meeting and General Meeting.

BOARDS' REPORT *(contd.)*

22. PREVENTION OF SEXUAL HARASSMENT

The Company has complied with the provisions relating to the constitution of the Internal Complaints Committee under The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. The said Committee has been set up to redress complaints received regarding sexual harassment at the workplace.

During the year under review, the Company has not received any complaints on sexual harassment and no complaints were pending to be resolved as on March 31, 2020.

23. GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

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

b) There were no material changes and commitment affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

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

d) There are no instances of fraud reported by the Auditors during the financial year ended March 31, 2020.

e) During the year under review, there were no companies which have become or ceased as subsidiary Company, associates and joint ventures.

f) Since the Company is not a manufacturing company, the disclosure related to conservation of energy and technology absorption is not applicable.

24. ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors

Sanjiv Goenka
Chairman and Non-Executive Director
DIN: 00074796

Vikram Mehra
Managing Director
DIN: 03556680

Date: June 05, 2020
Place: Kolkata

"Annexure A" to Directors report

FORM NO. MGT 9- EXTRACT OF ANNUAL RETURN

As on financial year ended March 31, 2020

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

I. REGISTRATION & OTHER DETAILS

CIN	L22213WB1946PLC014346
Registration Date	August 13, 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 Website: www.saregama.com
Whether listed company	Yes
Name, Address & contact details of the Registrar & Transfer Agent, if any.	MCS Share Transfer Agent Limited 383, Lake Gardens, 1st Floor Kolkata – 700045 Telephone: (033) 4072 4051 - 4053; Fax : (033) 4072 4050 E-mail : mcssta@rediffmail.com

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

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1.	Sale of Products (Carvaan, Mini Carvaan, Music Cards, etc.)	474	38.53%
2.	Income from films and television serials (Including Free Commercial Time)	591	14.05%
3.	Licence Fees	592	47.42%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1.	Composure Services Private Limited Duncan House 31, Netaji Subhas Road Kolkata – 700001	U72900WB2017PTC219824	Holding	59.06	2(46)
2.	Saregama Limited (formerly known as Saregama Plc) The Mille, 1000 Great West Road, Brentford, England, TW8 9DW	N.A.	Subsidiary	76.41	2(87)
3.	RPG Global Music Limited 3rd Floor, 355 NEX Rue du Savoir Cybercity Ebene 72201	N.A.	Subsidiary	100	2(87)

BOARDS' REPORT *(contd.)*

Sr. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
4.	Kolkata Metro Networks Limited 33, Jessore Road, Dum Dum, Kolkata – 700028	U23209WB1989PLC047337	Subsidiary	100	2(87)
5.	Open Media Network Private Limited 33, Jessore Road, Dum Dum, Kolkata – 700028	U22100WB2008PTC124295	Subsidiary	100	2(87)
6.	Saregama Inc.* 200 Continental Drive Suite 401 Newark, DE 19713 USA	N.A.	Subsidiary	100	2(87)
7.	Saregama FZE Jafza One, 11th Floor, Office No Cowork – 10 Jebel Ali Free Zone Dubai United Arab Emirates	N.A.	Subsidiary	100	2(87)

*100% Subsidiary of Saregama Limited. (formerly known as Saregama Plc)

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on April 1, 2019]				No. of Shares held at the end of the year [As on March 31, 2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	-	-	0.00	-	-	-	0.00	0.00
b) Central Govt.	-	-	-	0.00	-	-	-	0.00	0.00
c) State Govt.(s)	-	-	-	0.00	-	-	-	0.00	0.00
d) Bodies Corp.	1,02,91,759	-	1,02,91,759	59.11	1,02,91,759	-	1,02,91,759	59.06	-0.05*
e) Banks / FI	-	-	-	0.00	-	-	-	0.00	0.00
f) Any other	-	-	-	0.00	-	-	-	0.00	0.00
Total shareholding of Promoter (A)	1,02,91,759	-	1,02,91,759	59.11	1,02,91,759	-	1,02,91,759	59.06	-0.05*
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	2,18,506	464	2,18,970	1.26	8,01,979	464	8,02,443	4.60	3.34
b) Banks / FI	20,520	1,138	21,658	0.12	38,574	1,138	39,712	0.23	0.11
c) Central Govt.	-	-	-	0.00	-	-	-	0.00	0.00
d) State Govt.(s)	48	26	74	0.00	48	26	74	0.00	0.00
e) Venture Capital Funds	-	-	-	0.00	-	-	-	0.00	0.00
f) Insurance Companies	-	1,798	1,798	0.01	-	1,798	1,798	0.01	0.00
g) FIIs	-	-	-	0.00	-	-	-	0.00	0.00
h) Foreign Venture Capital Funds	-	-	-	0.00	-	-	-	0.00	
i) Others (specify)									
Foreign Portfolio Investor	2,39,772	-	2,39,772	1.38	7,34,064	-	7,34,064	4.21	2.83
Sub-total (B)(1):-	4,78,846	3,426	4,82,272	2.77	15,74,665	3,426	15,78,091	9.06	6.29

BOARDS' REPORT *(contd.)*

Category of Shareholders	No. of Shares held at the beginning of the year [As on April 1, 2019]				No. of Shares held at the end of the year [As on March 31, 2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a) Bodies Corp.									
i.) Indian	23,18,083	4,509	23,22,592	13.34	18,94,082	4,489	18,98,571	10.90	-2.44
ii)Overseas	-	-	-	0.00	-	-	-	0.00	0.00
iii)NBFCs registered with RBI	6,200	-	6,200	0.04	5,000	-	5,000	0.03	-0.01
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	26,48,146	1,40,424	27,88,570	16.01	19,51,195	1,36,608	20,87,803	11.98	-4.03
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	12,66,860	-	12,66,860	7.28	11,55,648	-	11,55,648	6.63	-0.65
c) Non Resident Indians									
i) Non Resident Indians (Repatriable)	2,47,292	4,836	2,52,128	1.45	2,22,786	4,884	2,27,670	1.31	-0.14
ii) Non Resident Indians (Non-repatriable)	-	-	-	0.00	-	-	-	0.00	0.00
d) Foreign Nationals	-	-	-	0.00	-	-	-	0.00	0.00
e) Foreign Company	-	-	-	0.00	-	-	-	0.00	0.00
f) Clearing Members	-	-	-	0.00	-	-	-	0.00	0.00
g) Trusts	111	-	111	0.00	111	-	111	0.00	0.00
h) Hindu Undivided Family	-	-	-	0.00	-	-	-	0.00	0.00
Sub-total (B)(2):-	64,86,692	1,49,769	66,36,461	38.12	52,28,822	1,45,981	53,74,803	30.84	-7.28
Total Public Shareholding (B)=(B)(1)+ (B)(2)	69,65,538	1,53,195	71,18,733	40.89	68,03,487	1,49,407	69,52,894	39.90	-0.99
C. Non-Promoter Non Public									
i) Shares held by Custodian for GDRs & ADRs	-	-	-	0.00	-	-	-	0.00	0.00
ii) Saregama Welfare Trust (Employee benefit trust as per SEBI (Share Based Employee Benefit) Regulations, 2014)	-	-	-	0.00	1,81,359	-	1,81,359	1.04	1.04
Grand Total (A+B+C)	1,72,57,297	1,53,195	1,74,10,492	100.00	1,72,76,605	1,49,407	1,74,26,012	100.00	0.00

Note: *There is no change in the total shareholding of promoters between April 1, 2019 and March 31, 2020. The decrease in % of shares of the Company is due to ESOS allotment of 15,520 shares.

B) Shareholding of Promoter-

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year i.e. April 1, 2019			Shareholding at the end of the year i.e. March 31, 2020			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1.	Composure Services Pvt. Ltd	1,02,91,599	59.11	0.00	1,02,91,599	59.06	0.00	-0.05*
2.	STEL Holdings Ltd.	160	0.00	0.00	160	0.00	0.00	0.00

Note: *There is no change in the total shareholding of promoters between April 1, 2019 and March 31, 2020. The decrease in % of shares of the Company is due to ESOS allotment of 15,520 shares.

BOARDS' REPORT *(contd.)*

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

Sr. No.	Particulars	Shareholding at the beginning of the year (as on April 1, 2019)		Transactions during the year		Cumulative Shareholding during the year (as on March 31, 2020)	
		No. of shares	% of total shares of the company	Date	Increase/ Decrease	No. of shares	% of total shares of the company
No change							

D) Shareholding Pattern of top ten Shareholders:

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

Date wise movement in Shareholding of the Top Ten Shareholders - 2019-20										
Sr, No.	Name of Shareholder	Shareholding at the beginning of the year	% Of Total Shares of the Company	Date wise Increase/ Decrease in Shareholding during the year	Purchased	Sold	Cumulative Shareholding during the year	% Of total Shares of the Company	No of Shares at the end of the year	% Of Total Shares of the Company
		No of Shares held on April 1, 2019		Date			No of Shares		No of Shares as on March 31, 2020	
1	BNK Capital Markets Limited	8,13,220	4.67	NIL	NIL	NIL	8,13,220	4.67	813,220	4.67
2	Malabar India Fund Limited*	-	0.00	10.05.2019	50,000	-	50,000	0.29		
				31.05.2019	7,341	-	57,341	0.33		
				07.06.2019	3,651	-	60,992	0.35		
				14.06.2019	10,508	-	71,500	0.41		
				21.06.2019	13,300	-	84,800	0.49		
				30.06.2019	10,500	-	95,300	0.55		
				05.07.2019	2,100	-	97,400	0.56		
				12.07.2019	6,400	-	1,03,800	0.60		
				19.07.2019	38,600	-	1,42,400	0.82		
				26.07.2019	12,100	-	1,54,500	0.89		
				02.08.2019	19,000	-	1,73,500	1.00		
				23.08.2019	174,000	-	3,47,500	1.99		
				13.09.2019	9,807	-	3,57,307	2.05		
				20.09.2019	98,600	-	4,55,907	2.62		
				27.09.2019	23,037	-	4,78,944	2.75		
				11.10.2019	13,363	-	4,92,307	2.83		
				18.10.2019	14,200	-	5,06,507	2.91		
				25.10.2019	15,926	-	5,22,433	3.00		
				01.11.2019	7,574	-	5,30,007	3.04		
				08.11.2019	7,100	-	5,37,107	3.08		
				22.11.2019	1,474	-	5,38,581	3.09		
				29.11.2019	6,526	-	5,45,107	3.13		
				06.12.2019	11,538	-	5,56,645	3.19		
				13.12.2019	4,906	-	5,61,551	3.22		
				20.12.2019	936	-	5,62,487	3.23		
				27.12.2019	510	-	5,62,997	3.23		
				10.01.2020	5,110	-	5,68,107	3.26		
				17.01.2020	1,800	-	5,69,907	3.27		
				31.01.2020	539	-	5,70,446	3.27		
				07.02.2020	18,461	-	5,88,907	3.38		
				14.02.2020	1,142	-	5,90,049	3.39		

BOARDS' REPORT *(contd.)*

Date wise movement in Shareholding of the Top Ten Shareholders - 2019-20										
Sr, No.	Name of Shareholder	Shareholding at the beginning of the year	% Of Total Shares of the Company	Date wise Increase/ Decrease in Shareholding during the year	Purchased	Sold	Cumulative Shareholding during the year	% Of total Shares of the Company	No of Shares at the end of the year	% Of Total Shares of the Company
		No of Shares held on April 1, 2019		Date			No of Shares		No of Shares as on March 31, 2020	
				21.02.2020	856	-	5,90,905	3.39		
				28.02.2020	1,402	-	5,92,307	3.40		
				06.03.2020	11,000	-	6,03,307	3.46		
				13.03.2020	8,600	-	6,11,907	3.51		
				31.03.2020	29,676	-	6,41,583	3.68	641,583	3.68
3	Tata Mutual Fund - Tata Small Cap Fund*	-	0.00	23.08.2019	2,00,949	-	2,00,949	1.15		
				30.08.2019	17,000	-	2,17,949	1.25		
				13.09.2019	2,200	-	2,20,149	1.26		
				20.09.2019	6,000	-	2,26,149	1.30		
				27.09.2019	25,800	-	2,51,949	1.45		
				11.10.2019	1,500	-	2,53,449	1.45		
				18.10.2019	96,000	-	3,49,449	2.01		
				25.10.2019	10,000	-	3,59,449	2.06		
				01.11.2019	16,500	-	3,75,949	2.16		
				22.11.2019	44,000	-	4,19,949	2.41		
				29.11.2019	10,700	-	4,30,649	2.47		
				06.12.2019	3,400	-	4,34,049	2.49		
				27.12.2019	10,000	-	4,44,049	2.55		
				03.01.2020	5,000	-	4,49,049	2.58		
				17.01.2020	5,000	-	4,54,049	2.61		
				24.01.2020	14,600	-	4,68,649	2.69		
				31.01.2020	700	-	4,69,349	2.69		
				07.02.2020	15,000	-	4,84,349	2.78		
				14.02.2020	5,500	-	4,89,849	2.81		
				21.02.2020	12,770	-	5,02,619	2.88		
				28.02.2020	3,000	-	5,05,619	2.90		
				06.03.2020	10,993	-	5,16,612	2.96		
				31.03.2020	34,200	-	5,50,812	3.16	5,50,812	3.16
4	Jayshree Nirman Ltd	5,16,981	2.97	NIL	NIL	NIL	5,16,981	2.97	5,16,981	2.97
5	Saregama Welfare Trust (Employee benefit trust as per SEBI (Share Based Employee Benefit) Regulations, 2014)	-	0.00	06.12.2019	10,877	-	10,877	0.06		
				13.12.2019	27,180	-	38,057	0.22		
				20.12.2019	53,532	-	91,589	0.53		
				27.12.2019	54,903	-	1,46,492	0.84		
				31.12.2019	19,579	-	1,66,071	0.95		
				07.02.2020	2,488	-	1,68,559	0.97		
				14.02.2020	11,820	-	1,80,379	1.04		
				21.02.2020	980	-	1,81,359	1.04	1,81,359	1.04
6	Arun Nahar*	60,000	0.34	17.05.2019	81,387	-	1,41,387	0.81		
				16.08.2019	26,813	-	1,68,200	0.97	1,68,200	0.97

BOARDS' REPORT *(contd.)*

Date wise movement in Shareholding of the Top Ten Shareholders - 2019-20										
Sr, No.	Name of Shareholder	Shareholding at the beginning of the year	% Of Total Shares of the Company	Date wise Increase/ Decrease in Shareholding during the year	Purchased	Sold	Cumulative Shareholding during the year	% Of total Shares of the Company	No of Shares at the end of the year	% Of Total Shares of the Company
		No of Shares held on April 1, 2019		Date			No of Shares		No of Shares as on March 31, 2020	
7	Ashish Goel	1,18,448	0.68	14.02.2020	-	400	1,18,048	0.68	1,18,048	0.68
8	Asian Securities Exchange Pvt Ltd	1,08,420	0.62	NIL	NIL	NIL	1,08,420	0.62	1,08,420	0.62
9	Kotak India Growth Fund Series 5	1,00,000	0.57	07.02.2020	-	13,609	86,391	0.50	86,391	0.50
10	Kotak India Growth Fund Series 4*	76,658	0.44	01.11.2019	2,871	-	79,529	0.46	79,529	0.46
11	Kusum Lodha^	84,697	0.49	22.11.2019	-	4,000	80,697	0.46		
				27.12.2019	-	742	79,955	0.46		
				17.01.2020	-	1,200	78,755	0.45		
				24.01.2020	-	1,258	77,497	0.44	77,497	0.44
12	Alok Lodha^	79,336	0.46	21.06.2019	-	169	79,167	0.45		
				05.07.2019	-	272	78,895	0.45		
				26.07.2019	-	8,895	70,000	0.40	70,000	0.40
13	Viral Amal Parikh^	99,545	0.57	26.04.2019	-	90,000	9,545	0.05		
				15.11.2019	-	5,000	4,545	0.03		
				22.11.2019	14,576	-	19,121	0.11		
				29.11.2019	-	3,477	15,644	0.09		
				20.12.2019	-	8,599	7,045	0.04		
				27.12.2019	48,696	-	55,741	0.32		
				31.12.2019	-	1,196	54,545	0.31		
				03.01.2020	-	2,500	52,045	0.30		
				17.01.2020	-	3,474	48,571	0.28		
				24.01.2020	-	2,114	46,457	0.27		
				07.02.2020	-	984	45,473	0.26		
				14.02.2020	-	1,495	43,978	0.25		
				21.02.2020	-	1,112	42,866	0.25	42,866	0.25
14	Sextant Autour DU Monde^	1,28,161	0.74	05.04.2019	26,339	-	1,54,500	0.89		
				12.04.2019	13,661	-	1,68,161	0.96		
				07.06.2019	-	7,292	1,60,869	0.92		
				14.06.2019	-	1,531	1,59,338	0.91		
				18.10.2019	-	84,877	74,461	0.43		
				25.10.2019	-	45,337	29,124	0.17		
				01.11.2019	-	29,124	-	0.00	-	0.00
15	Varun Daga^	96,457	0.55	16.08.2019	-	11,222	85,235	0.49		
				23.08.2019	-	85,235	-	0.00	-	0.00
16	Antique Stock Broking Limited^	81,387	0.47	17.05.2019	-	81,387	-	0.00	-	0.00

*Not in the list of Top 10 shareholders as on April 1, 2019. The same is reflected above since the shareholder was one of the Top 10 shareholders as on March 31, 2020.

^ Ceased to be a Top 10 shareholder as on March 31, 2020.

BOARDS' REPORT *(contd.)*

E) Shareholding of Directors and Key Managerial Personnel – Nil

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year (as on April 1, 2019)		Shareholding at the end of the year (as on March 31, 2020)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
None of the Directors or Key Managerial Personnel hold any shares in the Company.					

V) INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment - for the year ended March 31, 2020

(Amt. in Rs Lakhs.)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	3,580.98	2,500.00	Nil	6,080.98
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	3,580.98	2,500.00	Nil	6,080.98
Change in Indebtedness during the financial year				
* Addition	Nil	2,000.00	Nil	2,000.00
* Reduction	2,947.76	4,500.00	Nil	7,447.76
Net Change	(2,947.76)	(2,500.00)	Nil	(5,447.76)
Indebtedness at the end of the financial year				
i) Principal Amount	633.22	Nil	Nil	633.22
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	633.22	Nil	Nil	633.22

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL- for the year ended March 31, 2020

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Amt. in Rs Lakhs.)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Mr. Vikram Mehra, Managing Director	
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	549.32	549.32
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	14.23	14.23
	(c) Profits in lieu of salary under section 17(3) of the Income- tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission - as % of profit - others, specify...	-	-
5	Others, (please specify)- Retirals,Others etc.	29.59	29.59
	Total (A)	593.14*	593.14
	Ceiling as per the Act	The remuneration is within the limits prescribed under the Companies Act, 2013 read with the notification issued from time to time.	

* The above remuneration does not include share based reversal of ₹479.11 Lakhs for the year ended March 31, 2020.

B. Remuneration to other directors

1. Non – Executive Directors

(Amt. in ₹)

Sr. No.	Particulars of Remuneration	Mr. S. Goenka	Mrs. P. Goenka	Mrs. A. Jain	Total
1.	Fee for attending board and Committee meetings	1,20,000	80,000	80,000	2,80,000
	Commission	Nil			
	Others, please specify				
	Total (1)	1,20,000	80,000	80,000	2,80,000

2. Independent Directors

(Amt. in ₹)

Sr. No.	Particulars of Remuneration	Mr. N. Framjee	Mr. U. Kanoria	Mr. S. Bhattacharya	Mr. A. Sarkar	Total
1.	Fee for attending board and Committee meetings	1,75,000	50,000	1,75,000	80,000	4,80,000
	Commission	Nil				
	Others, please specify					
	Total (1)	1,75,000	50,000	1,75,000	80,000	4,80,000
	Total Managerial Remuneration (B)(1) + (B)(2)					7,60,000
	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

(Amt. in Rs Lakhs.)

Sr. No.	Particulars of Remuneration	Name of Key Managerial Personnel	
		Vineet Garg - CFO	Kamana Khetan - Company Secretary
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	148.11	12.37
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.79	0.51
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit	-	-
5	Others, please specify: Retirals etc.	15.05	1.54
	Total	163.95	14.42

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties / punishment / compounding of offences for breach of any section of Companies Act, 2013 against the Company or its Directors, if any, during the year ended March 31, 2020.

For and on behalf of the Board of Directors

Sanjiv Goenka
Chairman and Non-Executive Director
DIN:00074796

Vikram Mehra
Managing Director
DIN: 03556680

Date: June 5, 2020
Place: Kolkata

Annexure 'B' to the Directors' Report

Annual Report on Corporate Social Responsibility (CSR) Activities

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

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

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

   The Company's policy on CSR is posted at http://www.saregama.com/static/investors

2. **Composition of the CSR Committee**

   The CSR committee comprises of the following members:

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

3. **Average net profit/(Loss) of the company for last three financial years - ₹ 5,657.77 lacs**
4. **Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) – ₹ 113.16 lacs**
5. **Details of CSR spent during the financial year;**
   a. Total amount to be spent for the financial year; - ₹ 113.16 lacs
   b. Amount unspent, if any; - Nil
   c. Manner in which the amount was spent:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub – heads:(1) Direct expenditure on projects or programs(2) Overheads	Cumulative expenditure upto to the reporting period	Amount spent : Direct or through implementing agency*
1	Setting up of an institution of excellence	Sector permitted under Schedule VII to the Companies Act, 2013	Kolkata, West Bengal	₹ 113.16 lacs	₹ 113.16 lacs	₹ 405.57 lacs	RP Sanjiv Goenka CSR Trust

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

For and on behalf of the Board of Directors

Sanjiv Goenka
Chairman and Non-Executive Director
DIN: 00074796

Noshir Framjee
Director
DIN: 01646640

Date: June 05, 2020
Place: Kolkata

Annexure 'C' to the Directors' Report

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

i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2019-20 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019-20 are as under :

Sl. No.	Name of Director / KMP and Designation	Remuneration of Director / KMP for Financial Year 2019-20 (₹ in Lakhs)	% increase in Remuneration in the Financial Year 2019-20	Ratio of remuneration of each Director / to median remuneration of employees
1.	Mr. Vikram Mehra, Managing Director @	593.14	13.43%	63.82:1
2.	Mr. Vineet Garg, Chief Financial Officer	163.95	12.94%	N.A
3.	Ms. Kamana Khetan, Company Secretary	14.42	44.49%	N.A

@ The above remuneration does not include Share based reversal of ₹ 497.11 Lakhs for the year ended March 31, 2020.

Note: No other Director other than the Managing Director received any remuneration other than sitting fees during the financial year 2019-20.

ii) In the financial year, there was an increase of 1.02% in the median remuneration of employees.

iii) There were 314 permanent employees on the rolls of Company as on March 31, 2020.

iv) Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year 2019-20 was 22.62% whereas the increase in the managerial remuneration for the same financial year was 8.47%

v) It is hereby affirmed that the remuneration paid during the Financial Year ended 31st March, 2020 is as per the Remuneration Policy of the Company.

For and on behalf of the Board of Directors

Sanjiv Goenka
Chairman and Non-Executive Director
DIN: 00074796

Vikram Mehra
Managing Director
DIN: 03556680

Date: June 05, 2020
Place: Kolkata

Annexure 'D' to the Directors' Report

Form No. MR - 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

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

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

1. We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SAREGAMA INDIA LIMITED** (hereinafter called "the company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.
2. Based on our verification of the Company books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:
3. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 according to the provisions of:

   i) The Companies Act, 2013 (the Act), amendments thereof and the rules made thereunder;

   ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder

   iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

   iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

      (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

      (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

      (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

      (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

      (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable regulations /guidelines/circulars as may be issued by SEBI from time to time to the extent applicable;

      (f) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

   I further report that, there were no actions/ events in pursuance of;

   (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

   (b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008

BOARDS' REPORT

(c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

(d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

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

(a) Indian Copyright Act,1957 as applicable;

(b) The Trademark Act,1999;

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

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

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

(ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited, BSE Limited and Calcutta Stock Exchange Limited.

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

We further report that,

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

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

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

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

We further report that during the audit period the Company had:

i. Allotted shares under the Saregama Employees Stock Option Scheme 2013 as per details below:

Date	Number of shares allotted
07-May-19	9,520
21-Aug-19	4,000
28-Feb-20	2,000

ii. The Nomination and Remuneration Committee vide meeting dated 17.01.2020 cancelled 2,00,000 SARs previously granted to eligible employees, under the Stock Appreciation Rights Scheme 2014 of the Company and approved and granted 2,00,000 options to the eligible employees under the ESOP 2013 scheme. The shares for which options are granted shall be purchased by Saregama Welfare Trust (Trust solely formed for the purpose) from the secondary market.

iii. Variation in the remuneration paid/ payable to Mr. Vikram Mehra (DIN: 03556680), Managing Director with effect from July 1, 2018 vide Annual General Meeting dated 19.07.2019.

BOARDS' REPORT *(contd.)*

iv. Re-appointment of Mr. Vikram Mehra (DIN: 03556680) as Managing Director of the company for the period of five years with effect from 27th October, 2019 vide Annual General Meeting dated 19.07.2019.

v. Amended various clauses in the Saregama India Limited Employees Stock Option Scheme 2013 to give effect the implementation of the scheme through Trust vide Annual General Meeting dated 19.07.2019.

vi. Authorization to Trust for Secondary Market Acquisition and provision of money vide Annual General Meeting dated 19.07.2019.

vii. Approval of Members for Grant of options to the employees during any one year, equal to or exceeding 1% of the issued capital of the Company vide Annual General Meeting dated 19.07.2019.

viii. The company as per intimation sent to the stock exchange vide letter dated 16.04.2019 has received an amount of ₹ 32,18,72,029 (Rupees Thirty Two Crore Eighteen Lakhs Seventy Two Thousand And Twenty Nine Only) from National Insurance Company Limited towards full and final settlement of claim under floater Policy no. 101101/11/17/10000258 for loss of stocks of Radio Music Player (Carvaan, Carvaan Mini) and Music Cards of the Company due to Fire accident on or about 01.04.2018 in Bhiwandi, Mumbai.

ix. Approval to a scheme of loan for the employees including the Managing Director / Whole-Time Director of the Company in accordance with the terms and conditions as may be prescribed by the Board of Directors/Nomination and Remuneration Committee vide Annual General Meeting dated 19.07.2019.

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

For MR & Associates
Company Secretaries

[M R Goenka]
Partner
FCS No.:4515
C P No.:2551
UDIN: F004515B000308544

Place : Kolkata
Date : 01.06.2020

BOARDS' REPORT *(contd.)*

"ANNEXURE – A"

(TO THE SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED March 31, 2020)

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.
7. The Audit was conducted on a quarterly basis and all the audit documents were obtained from the Company except compliance for the quarter January to March 2020. The COVID-19 outbreak was declared as a global pandemic by the World Health Organization. On March 24, 2020, the Indian government announced a strict 21-day lockdown which was further extended across the country to contain the spread of the virus. Due to COVID-19 pandemic impact, the compliance documents for the quarter January to March, 2020 were obtained through electronic mode and verified with requirements.

For MR & Associates
Company Secretaries

[M R Goenka]
Partner
FCS No.:4515
C P No.:2551
UDIN: F004515B000308544

Place : Kolkata
Date :01.06.2020

Report On Corporate Governance

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

I. Company's philosophy on Corporate Governance

II. Board of Directors

III. Committee of Directors

IV. Audit Committee

V. Nomination and Remuneration Committee

VI. Stakeholders Relationship Committee

VII. Corporate Social Responsibility Committee

VIII. Finance Committee

IX. General Body Meetings

X. Other Disclosures

XI. Means of Communication

XII. General Shareholder Information

I. Company's philosophy on Corporate Governance

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

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

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

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

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

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

II. Board of Directors

A. Composition of the Board of Directors as on March 31, 2020

The Board of Directors of the Company comprises of:

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

None of the Directors on the Company's Board is a Member of more than ten Committees and Chairman of more than five Committees [Committees being, Audit Committee and Stakeholders Relationship Committee] across all the Indian public limited companies in which he/she is a Director. All the Directors have made necessary disclosures regarding Committee positions held by them in other companies and do not hold the office of Director in more than twenty companies, including

REPORT ON CORPORATE GOVERNANCE *(contd.)*

ten public companies. All Non-Independent Directors, are liable to retire by rotation. During the year under review, no person has been appointed or continue as an alternate director for an independent director of the Company.

During the year under review 4 (Four) Board meetings were held on May 8, 2019; August 13, 2019; November 13, 2019 and January 31, 2020. The maximum time-gap between any two Board meetings did not exceed 120 days. 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 March 31, 2020 are given below alongwith the name of other listed entities in which the Director is a director:

Sl. No.	Name of the Directors	Category of Director	No. of Directorships in other Public Limited companies incorporated in India [1]	No of other Committee Membership(s) / Chairmanship(s) held [2]		No. of Equity Shares held	Directorship in other listed entity (Category of Directorship)[3]
				As Chairperson	As Member		
1.	Dr. Sanjiv Goenka	Chairman (Non-Executive)	8	3	2	Nil	1. CESC Limited [Chairman (Non-Executive)] 2. CESC Ventures Limited [Chairman (Non-Executive)] 3. Phillips Carbon Black Ltd. [Chairman (Non-Executive)] 4. Spencer's Retail Ltd. [Chairman (Non-Executive)] 5. Firstsource Solutions Ltd. [Chairman (Non-Executive)]
2.	Mrs. Preeti Goenka	Non-Executive	1	Nil	Nil	Nil	Phillips Carbon Black Ltd. (Non-Executive)
3.	Mrs. Avarna Jain	Non-Executive	2	Nil	Nil	Nil	Nil
4.	Mr. Umang Kanoria	Non-Executive Independent	5	2	2	Nil	1. STEL Holdings Limited (Non-Executive Independent) 2. Kanco Tea & Industries Limited (Chairman & Director) 3. Kanco Enterprises Limited – (Chairman & Managing Director)
5.	Mr. Santanu Bhattacharya	Non-Executive Independent	3	Nil	1	Nil	Nil
6.	Mr. Arindam Sarkar	Non-Executive Independent	1	Nil	Nil	Nil	Albert David Ltd. – (Independent)
7.	Mr. Noshir Naval Framjee	Non-Executive Independent	3	1	1	Nil	Nil
8.	Mr. Vikram Mehra	Managing Director	Nil	Nil	Nil	Nil	Nil

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

[2] Pursuant to Regulation 26(1)(b) of the SEBI LODR Regulations, only two committees viz, Audit and Stakeholders Relationship Committees, have been considered for this purpose.

REPORT ON CORPORATE GOVERNANCE *(contd.)*

[3] Excluding Saregama India Limited.

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

B. Skills / expertise/ competencies of the Board of Directors:

In terms of requirement of SEBI LODR Regulations, following is the list of core skills /competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available within the Board Members:

Areas of skills/expertise			
Name of Director	Media Business	Strategy and Planning	Governance
Dr. Sanjiv Goenka	√	√	√
Mrs. Preeti Goenka	√	√	√
Mrs. Avarna Jain	√	√	√
Mr. Vikram Mehra	√	√	√
Mr. Santanu Bhattacharya	√	√	√
Mr. Umang Kanoria	-	√	√
Mr. Noshir Framjee	-	√	√
Mr. Arindam Sarkar	-	√	√
Ms. Kusum Dadoo	N.A.*		

*Ms. Kusum Dadoo was appointed as an Additional Director on the Board w.e.f. June 5, 2020.

C. Attendance of Directors at the Board Meetings during the period April 1, 2019 to March 31, 2020 and at the last Annual General Meeting ('AGM').

Sl. No.	Name of Directors	Number of Meetings Attended out of four Board Meetings held during the year	Attendance at the last AGM held on July 19, 2019
1.	Dr. Sanjiv Goenka	4	No
2.	Mrs. Preeti Goenka	4	No
3.	Mrs. Avarna Jain	4	No
4.	Mr. Umang Kanoria	1	Yes
5.	Mr. Santanu Bhattacharya	4	No
6.	Mr. Arindam Sarkar	4	No
7.	Mr. Noshir Naval Framjee	4	No
8.	Mr. Vikram Mehra	4	Yes

D. Code of Conduct for Directors and Senior Management:

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

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

REPORT ON CORPORATE GOVERNANCE *(contd.)*

E. Compliance Reports:

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

F. Board Effectiveness Evaluation:

Pursuant to the applicable SEBI LODR Regulations and the Act, Board evaluation involving evaluation of the Board of Directors, its Committees and individual Directors, including the role of the Board Chairman, was conducted during the year. For details kindly refer the Directors' Report.

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

The Company has in place a programme for familiarization of the Independent Directors with the Company, details of which is available on the website of the Company.

https://www.saregama.com/static/investors?srgm_tracker=footer.

COMMITTEES OF THE BOARD

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

The Board has currently established the following Committees:

III. Committee of Directors

(i) Composition

In terms of the relevant provisions of the Act and the rules made thereunder and with the introduction of SEBI LODR Regulations, the Board of Directors at its meeting held on November 13, 2019 decided that there was no need to continue with the Committee of Directors (COD) formed by the Board of Directors (BOD) at its meeting held on October 24, 2000. Accordingly, the BOD considered and approved dissolution of the COD with effect from November 13, 2019.

The composition of the COD till its dissolution on November 13, 2019 is as under:

Name of the Directors	Position	Category of Director
Dr. Sanjiv Goenka	Chairman	Non-Executive Director
Mr. Vikram Mehra	Member	Managing Director
Mr. Noshir Naval Framjee	Member	Non-Executive Independent Director

(ii) Meetings

During the year under review, 2 (two) Meetings of the COD were held on May 8, 2019 and June 27, 2019.

The attendance of the COD members at the said meetings are detailed below:-

Sl. No.	Name of the Directors	Number of Meetings attended
1.	Dr. Sanjiv Goenka	2
2.	Mr. Vikram Mehra	2
3.	Mr. Noshir Naval Framjee	2

IV. Audit Committee

The Audit Committee of the Company functions in accordance with the requirement of Section 177 of the Act and Regulation 18 of SEBI LODR Regulations, as amended.

REPORT ON CORPORATE GOVERNANCE *(contd.)*

The composition of the Audit Committee is in compliance of Regulation 18(1) of SEBI LODR Regulations.

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

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

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

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

The quorum requirement of Audit Committee as per SEBI LODR Regulations is two members or one-third of its members, whichever is higher with minimum 2 Independent Directors.

During the year under review, the Audit Committee met 4 (four) times on May 8, 2019, August 13, 2019, November 13, 2019 and January 31, 2020.

The gap between two Audit Committee meetings did not exceed 120 days.

(i) Terms of Reference

The broad terms of reference includes the following as is mandated in Part C of Schedule II of SEBI LODR Regulations as amended and Section 177 of the Act:

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

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

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

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

- matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Act;
- changes, if any, in accounting policies and practices and reasons for the same;
- major accounting entries involving estimates based on the exercise of judgment by management;
- significant adjustments made in the financial statements arising out of audit findings;
- compliance with listing and other legal requirements relating to financial statements;
- disclosure of any related party transactions;
- modified opinion(s) in the draft audit report;

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

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

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

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

i. Scrutiny of inter-corporate loans and investments.

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

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

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

REPORT ON CORPORATE GOVERNANCE *(contd.)*

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

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

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

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

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

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

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

t. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on 01.04.2020.

u. Reviewing the compliance with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended at least once in a financial year and verifying that the systems for internal control are adequate and are operating effectively.

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

(ii) Composition

The composition of the Audit Committee as on March 31, 2020 is as under:

Name of the Directors	Position	Category of Director	Meetings attended
Mr. Umang Kanoria	Chairman	Non-Executive Independent Director	1
Mr. Santanu Bhattacharya	Member	Non-Executive Independent Director	4
Mr. Noshir Naval Framjee	Member	Non-Executive Independent Director	4

V. Nomination and Remuneration Committee

(i) Terms of Reference

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

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

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

REPORT ON CORPORATE GOVERNANCE *(contd.)*

During the financial year ended March 31, 2020, NRC met 4 times on May 8, 2019, August 13, 2019, November 13, 2019 and January 17, 2020.

(ii) Composition

The composition of the NRC as on March 31, 2020 and attendance at its meeting is as under:

Name of the Directors	Position	Category of Director	Meetings attended
Mr. Noshir Naval Framjee	Chairman	Non-Executive Independent Director	4
Mr. Umang Kanoria	Member	Non-Executive Independent Director	2
Mr. Santanu Bhattacharya	Member	Non-Executive Independent Director	4

Remuneration Policy

The Company has adopted a Remuneration Policy for Directors, Key Managerial Personnel and other employees in accordance with the provisions of the Act and the SEBI LODR Regulations.

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

Remuneration to Directors

A. Non-Executive Directors

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

Details of the Remuneration paid to Non-Executive Directors for the year ended March 31, 2020 are as follows:

Sl. No.	Name of the Directors	Sitting Fees Paid (₹)
1.	Dr. Sanjiv Goenka	1,20,000
2.	Mrs. Preeti Goenka	80,000
3.	Mrs. Avarna Jain	80,000
4.	Mr. Umang Kanoria	50,000
5.	Mr. Santanu Bhattacharya	1,75,000
6.	Mr. Arindam Sarkar	80,000
7.	Mr. Noshir Naval Framjee	1,75,000
	Total	**7,60,000**

Criteria for making payments to Non-executive directors

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

B. Executive Directors

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

On the basis of recommendation of the NRC and as approved by the BOD at its meetings held on May 8, 2019 respectively, the shareholders at the AGM held on July 19, 2019 has approved re-appointment of Mr. Vikram Mehra as Managing Director for a period of 5 years with effect from October 27, 2019 in accordance with the conditions specified in Sections 196 and 197 of the Act read with Schedule V thereof. Mr. Vikram Mehra's subsequent revision in remuneration effective July 1, 2019 has been recommended by NRC and is subject to approval of the shareholders at the ensuing AGM.

REPORT ON CORPORATE GOVERNANCE *(contd.)*

Details of remuneration paid to the Executive Directors for the Financial Year 2019-2020 are given hereunder:

(₹ in Lakhs)

Particulars of Remuneration	Mr. Vikram Mehra, Managing Director
Gross salary	
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	549.32
(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	14.23
(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-
Stock Option	-
Sweat Equity	-
Commission - as % of profit - others, specify...	-
Others, (please specify)- Retirals, Others etc.	29.59
Total (A)	**593.14***
Service Contract	The shareholders at its Annual General Meeting held on July 19, 2019 approved the re-appointment of Mr. Vikram Mehra for a period of 5 years.
Notice period	Not less than three months' notice or three months' basic salary in lieu of notice. Termination of Agreement by the Company upon giving shorter notice, by payment of basic salary in lieu of notice.
Severance Fees	Nil

Further, the details of remuneration paid/payable to Mr. Vikram Mehra effective July 1, 2019 is subject to approval of shareholders at the ensuing Annual General Meeting and forms part of Notice of Annual General Meeting.

* The above remuneration does not include share based reversal of ₹479.11 Lakhs for the year ended March 31, 2020.

At the Annual General Meeting held on July 19, 2019, the shareholders approved the gradual cancellation of the Stock Appreciation Rights ("SAR") 2014 and 2018 schemes and the continuance of the Saregama Employee Stock Option Scheme 2013 (ESOS 2013) albeit with certain amendments. The employees holding SARs under the SAR 2014 and SAR 2018 schemes will be granted an equivalent number of stock options under the amended ESOP 2013 scheme in lieu of and as and when the SARs under the respective schemes are cancelled by the Nomination and Remuneration Committee ("NRC").

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

The Options would vest 100% after 1 year from the date of grant. The period during which the Options can be converted into shares i.e. the exercise period is the period of 10 years commencing from the date of vesting of earlier issued SARs i.e. October 27, 2016..

REPORT ON CORPORATE GOVERNANCE *(contd.)*

VI. Stakeholders Relationship Committee

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

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

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

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

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

The Stakeholders Relationship Committee's composition and the terms of reference meets with the requirements of the SEBI LODR Regulations and provisions of the Act.

During the year under review, 6 (six) Meetings of the Stakeholders Relationship Committee were held on May 8, 2019, August 30, 2019, November 13, 2019, December 18, 2019, January 31, 2020 and March 2, 2020.

The following is the composition of the Stakeholders Relationship Committee as on March 31, 2020:

Name of the Directors	Position	Category	Meetings attended
Dr. Sanjiv Goenka	Chairman	Non-Executive Director	6
Mr. Umang Kanoria	Member	Non-Executive Independent Director	2
Mr. Santanu Bhattacharya	Member	Non-Executive Independent Director	5

The Statement of Investors Complaints is placed before the Board of Directors on a quarterly basis as required under SEBI LODR Regulations as amended.

Ms. Kamana Khetan, Company Secretary acts as Compliance Officer of the Company.

Status of Shareholders' Complaints:

Complaints pending as on April 1, 2019	Nil
Number of complaints	
- received during the year	Nil
- resolved during the year	Nil
Complaints pending as on March 31, 2020	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 March 31, 2020 is as under:

Mr. Vikram Mehra, Managing Director

Mr. Vineet Garg, Chief Financial Officer.

The Share Transfer Sub-Committee met 10 times during the financial year ended March 31, 2020.

VII. Corporate Social Responsibility (CSR) Committee

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

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

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

REPORT ON CORPORATE GOVERNANCE *(contd.)*

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

During the year, the CSR Committee met once on March 11, 2020. The details of composition and attendance is as under:

Name of the Directors	Position	Category of Director	Attendance
Mr. Umang Kanoria	Member	Non-Executive Independent Director	1
Mr. Santanu Bhattacharya	Member	Non-Executive Independent Director	1
Mr. Noshir Naval Framjee	Member	Non-Executive Independent Director	1

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

Independent Directors Meetings

During the year 2019-2020, the Independent Directors viz., Mr. Umang Kanoria, Mr. Santanu Bhattacharya, Mr. Arindam Sarkar and Mr. Noshir Naval Framjee met on March 11, 2020 in order to, inter alia, review the performance of non-independent directors including that of the Chairman taking into account the views of the executive and non-executive directors; assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties and other related matters. All the four Independent Directors attended the said meeting.

In the opinion of the Board, the independent directors fulfill the conditions specified in SEBI LODR Regulations and are independent of the management.

VIII. Finance Committee

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

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

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

During the year under review, 8 (eight) Meetings of the Finance Committee were held on April 26, 2019, May 23, 2019, May 31, 2019, September 17, 2019, November 5, 2019, December 24, 2019, January 30, 2020 and February 20, 2020.

The details of composition of Finance Committee as on March 31, 2020 is as under:

Name of the Directors	Position	Category of Director	Meetings attended
Mr. Vikram Mehra	Chairman	Managing Director	8
Mr. Santanu Bhattacharya	Member	Non-Executive Independent Director	5
Mr. Noshir Naval Framjee	Member	Non-Executive Independent Director	8

REPORT ON CORPORATE GOVERNANCE *(contd.)*

IX. General Body Meetings

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

Date	Type	Venue	Time	Special Resolutions Passed
July 19, 2019	72nd AGM	Mohit Moitra Mancha, 34/1, Raja Manindra Road, Paikpara, Kolkata - 700037.	10.30 AM	Yes
July 27, 2018	71st AGM	Mohit Moitra Mancha, 34/1, Raja Manindra Road, Paikpara, Kolkata - 700037.	10.00 AM	Yes
July 28, 2017	70th AGM	Mohit Moitra Mancha, 34/1, Raja Manindra Road, Paikpara, Kolkata - 700037.	10.00 AM	Yes

Note:

There was no special resolution put through postal ballot in the last AGM held on July 19, 2019. As on date no resolution is proposed to be conducted through postal ballot in the ensuing AGM.

X. Other Disclosures

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

(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 March 31, 2020.

(iii) Out of the 53,38,628 equity shares issued for cash at a premium of ₹35/- (issue price - ₹45/-) pursuant to the Rights Issue in 2005, allotment of 5,290 (31.03.2019 – 5,290) equity shares (relating to cases under litigation / pending clearance from concerned authorities) are in abeyance as on March 31, 2020.

(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 Chief Financial Officer in terms of Part B of Schedule II pursuant to Regulation 17(8) of the SEBI LODR Regulations for the financial year ended March 31, 2020 was placed before the Board of Directors of the Company at its meeting held on June 5, 2020.

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 (Prohibition of Insider Trading) Regulations, 2015 as amended, , 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 other events, as per the Code.

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

REPORT ON CORPORATE GOVERNANCE *(contd.)*

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

(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. An Internal Complaints Committee has been set up for the purpose. None of the Complaints were filed, disposed or pending during the financial year ended March 31, 2020.

(x) The Policy for dealing with Related Party Transactions is available on the "Investor relations" section of the website of the Company www.saregama.com

(xi) **Discretionary Requirements:**

(Regulation 27 of SEBI LODR Regulations, 2015 as amended)

a) **Modified opinion(s) in audit report:** There is no audit modification in the Company's financial statements for the year ended March 31, 2020.

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

Subsidiary Companies

Of the subsidiaries of the Company, the unlisted subsidiaries as on March 31, 2020 does not come under the purview of "material subsidiary" as stipulated in SEBI LODR Regulations. The Policy on material subsidiaries is available on the "Investor relations" section of the website of the Company www.saregama.com.

(xiii) The total fees for all services paid by Saregama India Limited and its subsidiaries, on a consolidated basis, to the statutory auditor is ₹ 100.37 lakhs.

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

(xv) There were no recommendations (which is mandatorily required) of any Committee (of the Board) which were not accepted by the Board.

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

There were no change in the ratings as compared to the previous year.

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

XI. Means of Communication

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

REPORT ON CORPORATE GOVERNANCE *(contd.)*

XIII. General Shareholder Information

AGM Date, Time and Venue	August 11, 2020 at 11:00 A.M. through VC/ OAVM
Financial Year	April to March
Dates of book closure	From August 05, 2020 to August 11, 2020 (both days inclusive) as annual closure for the Annual General Meeting and payment of dividend, if declared.
Dividend Payment Date	Dividend of ₹ 1.50 per equity share of ₹10/- each for the year ended March 31, 2020 as recommended by the Board of Directors, if declared at the ensuing Annual General Meeting to be held on August 11 ,2020 will be paid within the stipulated time in compliance with the related / applicable statute.
Listing on Stock Exchanges	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001. National Stock Exchange of India Limited 'Exchange Plaza', C-1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051. The Calcutta Stock Exchange Limited 7, Lyons Range, Kolkata – 700 001.

The Company has paid Listing fees for the year 2020-2021 to all the Stock Exchanges.

a) **Stock Code :**

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

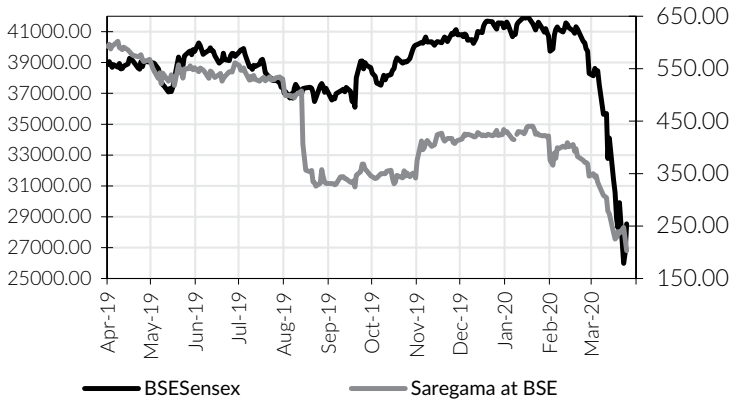
b) **Market Price Data - As quoted in NSE and BSE and reference of Saregama in comparison with BSE Sensex :**

Month	Saregama Share prices with NSE		Saregama Share prices with BSE		BSE Sensex	
	High (₹)	Low (₹)	High (₹)	Low (₹)	High	Low
April, 2019	609.40	551.40	619.00	551.40	39487.45	38460.25
May, 2019	570.00	506.65	573.45	505.05	40124.96	36956.10
June, 2019	565.00	525.00	580.00	524.10	40312.07	38870.96
July, 2019	564.80	522.15	562.85	520.75	40032.41	37128.26
August, 2019	530.25	314.00	529.00	302.20	37807.55	36102.35
September, 2019	385.20	325.00	384.70	324.30	39441.12	35987.80
October, 2019	363.95	330.00	364.00	321.20	40392.22	37415.83
November, 2019	443.50	338.00	443.70	349.80	41163.79	40014.23
December, 2019	451.00	406.70	452.05	403.35	41809.96	40135.37
January, 2020	451.00	410.00	450.10	413.45	42273.87	40476.55
February, 2020	414.90	338.05	415.65	337.80	41709.30	38219.97
March, 2020	361.75	181.85	359.70	185.00	39083.17	25638.90

REPORT ON CORPORATE GOVERNANCE *(contd.)*

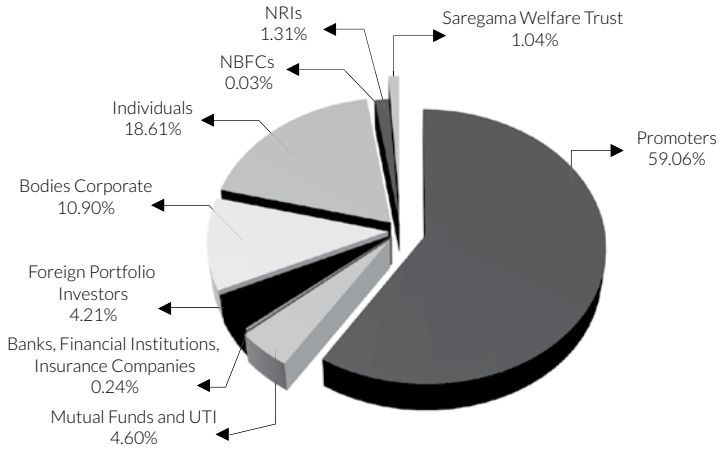
c) **Stock Performance of Saregama India Vs. BSE Indices :**

Saregama Share Price versus BSE Sensex



d) **Shareholding pattern as on March 31, 2020:**

Sl. No.	Category	No. of Equity shares held	%
1	Promoters	1,02,91,759	59.06
2	Mutual Funds and UTI	8,02,443	4.60
3	Banks, Financial Institutions, Insurance Companies	41,510	0.24
4	Foreign Portfolio Investors	7,34,064	4.21
5	Bodies Corporate	18,98,571	10.90
6	Individuals	32,43,451	18.61
7	NBFCs registered with RBI	5,000	0.03
8	NRIs	2,27,670	1.31
9	Saregama Welfare Trust (Employee benefit trust as per SEBI (Share Based Employee Benefit) Regulations, 2014)	1,81,359	1.04
10	Any other – Trust	111	0.00
11	Central / State Government	74	0.00
	Total	**1,74,26,012**	**100.00**



REPORT ON CORPORATE GOVERNANCE *(contd.)*

e) **Distribution of Holdings as on March 31, 2020:**

Range	Shares	Folios	Percent shares	Percent holders
1 - 500	11,44,044	22,211	6.5652	96.4480
501 - 1000	3,15,525	414	1.8107	1.7977
1001 - 2000	2,54,154	171	1.4585	0.7425
2001 - 3000	1,70,032	68	0.9757	0.2953
3001 - 4000	1,43,371	40	0.8227	0.1737
4001 - 5000	1,27,744	27	0.7331	0.1172
5001 - 10000	2,17,732	31	1.2495	0.1346
10001 - 50000	10,63,917	49	6.1053	0.2128
50001 - 100000	5,99,271	9	3.4389	0.0391
100001 And Above	1,33,90,222	9	76.8404	0.0391
Total	**1,74,26,012**	**23,029**	**100.0000**	**100.0000**

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

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

g) **Share transfer system:**

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

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

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

As at March 31, 2020, a total of 1,72,76,605 Equity Shares of the Company, constituting 99.14% of the paid-up share capital, stand dematerialized.

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

j) **Plant location :**

None

k) **Address for correspondence:**

Registered Office : 33, Jessore Road, Dum Dum, Kolkata - 700 028

Contact Person : Ms. Kamana Khetan, Company Secretary

Telephone: (033) 2551 2984, 4773 Email: co.sec@saregama.com

REPORT ON CORPORATE GOVERNANCE *(contd.)*

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

A certificate from practicing company secretary that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority is annexed as "**Annexure 1**".

For and on behalf of the Board of Directors

Sanjiv Goenka
Chairman & Non-Executive Director
DIN:00074796

Vikram Mehra
Managing Director
DIN: 03556680

Date: June 5, 2020
Place: Kolkata

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

I, Vikram Mehra, Managing Director of Saregama India Limited declare that all the Members of the Board of Directors and Senior Management personnel have, for the year ended 31st March, 2020, affirmed compliance with the Code of Conduct laid down by the Board of Directors in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable.

Vikram Mehra
Managing Director
DIN - 03556680

Place: Kolkata
Date: June 05, 2020

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

To
The Members,
Saregama India Limited

We have examined the compliance of conditions of Corporate Governance by Saregama India Limited ("the Company") for the year ended on March 31, 2020, as stipulated in Schedule V and other relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["the Regulations"] as amended from time to time.

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

In our opinion and to the best of our information and according to the explanations given to us and based on the representation made by the directors and the management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the applicable provisions of the Regulations.

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

For MR & Associates
Company Secretaries

M R Goenka
Partner
C P No.: 2551

Place: Kolkata
Date: 05.06.2020

ANNEXURE I

(TO REPORT ON CORPORATE GOVERNANCE)

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and based on the disclosures of the Directors, we hereby certify that none of the Directors on the Board of the Company (as enlisted in Table A) have been debarred or disqualified from being appointed or continuing as Directors of the companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority for the period ended as on March 31, 2020.

Table A

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

For Makarand M. Joshi & Co.
Practicing Company Secretaries

Kumudini Bhalerao
Partner
FCS No. 6667
CP No. 6690

Place: Mumbai
Date: 07/07/2020
UDIN-F006667B000424392

BUSINESS RESPONSIBILITY REPORT

Business Responsibility Report

Section A	General Information about the Company	
1	Corporate Identification Number	L22213WB1946PLC014346
2	Name of the Company	Saregama India Limited ('Saregama' or 'the Company')
3	Registered Address	33, Jessore Road, Dum Dum, Kolkata-700028, West Bengal, India
4	Website	www.saregama.com
5	Email Address	co.sec@saregama.com
6	Financial year reported	FY 2019-20
7	Sector(s) that the Company is engaged in	Media and Entertainment sector
8	3 key products/services manufactured/provided by the Company	• Sale of Products (Carvaan, Mini Carvaan, Music Cards, etc.) • Income from films and television serials (Including Free Commercial Time) • Licence Fees
9	Total number of locations where business activity is undertaken by the Company	
a	Number of International Locations (Provide details of major 5)	UK, US, Dubai and Canada
b	Number of National Locations	Kolkata, Mumbai, Chennai, Delhi, Chandigarh and Ahmedabad
10	Markets served by the Company	Local/State/National/International
Section B	Financial details of the Company	
1	Paid-up capital (INR)	₹ 17,42,60,120
2	Total turnover (INR)	₹ 51,159.65 lakhs
3	Total profit after tax (INR)	₹ 4,899.27 lakhs
4	Total spending on CSR as a percentage of PAT (%)	As per "Annexure B" of Directors Report
5	List of the activities in which expenditure in 4 above has been incurred	As per "Annexure B" of Directors Report
Section C	Other details	
1	Does the Company have any Subsidiary Company/ Companies?	Yes
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	No
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/ entities? [Less than 30%, 30-60%, More than 60%]	No
Section D	BR information	
1	Details of Director(s) responsible for BR	
(a)	Details of the Director/Director responsible for the implementation of the BR policy/policies:	
1	DIN Number	03556680
2	Name	Vikram Mehra
3	Designation	Managing Director

BUSINESS RESPONSIBILITY REPORT *(contd.)*

(b)	Details of the BR head:	
1	DIN Number (if applicable)	03556680
2	Name	Vikram Mehra
3	Designation	Managing Director
4	Telephone number	022-66886200
5	e-mail id	co.sec@saregama.com

2. Principle-wise (as per NVGs) BR policy/policies

a) Details of compliance (Reply in Y/N)

Sr. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/policies for....	Yes						No	Yes	
2	Has the policy being formulated in consultation with the relevant stakeholders?	Yes						NA	Yes	
3	Does the policy conform to any national /international standards? If yes, specify? (50 words)	The policies are in line with applicable national regulations and the principles of National Voluntary Guidelines issued by the Ministry of Corporate Affairs						NA	The policies are in line with applicable national regulations and the principles of National Voluntary Guidelines issued by the Ministry of Corporate Affairs	
4	Has the policy being approved by the Board? If yes, has it been signed by MD/owner/ CEO/appropriate Board Director?	Yes, the policies have been approved by the Board and signed by MD						NA	Yes, the policies have been approved by the Board and signed by MD	
5	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	No. The Board is directly responsible to oversee the implementation of the policy.						NA	No. The Board is directly responsible to oversee the implementation of the policy.	
6	Indicate the link for the policy to be viewed online?	The policies can be accessed on the Company's official website. www.saregama.com						NA	The policies can be accessed on the Company's official website. www.saregama.com	
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes						NA	Yes	
8	Does the company have an in-house structure to implement the policy/policies.	Yes						NA	Yes	
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/policies?	Yes						NA	Yes	
10	Has the company carried out an independent audit/evaluation of the working of this policy by an internal or external agency?	Yes						NA	Yes	

BUSINESS RESPONSIBILITY REPORT *(contd.)*

b) If the answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	The company has not understood the Principles									
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles							✓		
3.	The company does not have financial or manpower resources available for the task									
4.	It is planned to be done within the next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)									

3. Governance related to BR:

Indicate frequency with which the Board of Directors, Committees of the Board or CEO to assess the BR performance of the Company.	The requirement of publishing BRR is made applicable to the Company for the first time from the Financial Year 2019-20. Going forward, the business responsibility performance of the Company will be assessed once a year by the Board of Directors of the Company
Does the Company publish BR or Sustainability Report? What is the hyperlink of viewing this report? How frequently it is published?	Yes, the Business Responsibility Report has been published as part of the Annual Report of Saregama for FY 2019-20 and the same is available at www.saregama.com

Section E Principle –wise performance

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

Ethics, transparency and accountability together form the foundation of the good governance practices that guide Saregama in conducting its business in a responsible manner. In order to ensure that these values are upheld, the Company has various policies in place.

The Code of Conduct for Board Members and Senior Management states that the Board Members and Senior Management will act as trustees in the interest of all stakeholders of the Company by balancing conflicting interest, if any, between stakeholders for optimal benefit. Saregama also has a Code of Conduct to Regulate, Monitor and Report Trading by Insiders, besides having an Ethics Policy that provides a common code of conduct for all employees. The objective of the Ethics Policy is that employees must ensure fair dealings with customers, suppliers and colleagues.

The Company also has a Whistle Blower Policy / Vigil Mechanism for its Directors and employees to report their concerns about the Company's working or about any violation of its policies. Saregama also has Supplier Guidelines which encourage its suppliers to uphold ethics and integrity while conducting their operations.

In the reporting year, the Company has not received any shareholder's complaints.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

The main business activities of Saregama are related to creation and monetisation of music and film content. The Company does not have any manufacturing activities during the reporting period and thus, does not have a significant direct impact on the environment. However, Saregama has a Sustainability Policy that underlines its commitment to sustainability in its own operations, as well as while procuring goods and services. As a step in this direction, the Company design body of Carvaan – the flagship music product of Saregama- is made from 100 % recyclable Plastic. Saregama creates awareness and positive messaging around socially relevant issues through its films like KD, Hamid, Noblemen and Axone.

The Company has Supplier Guidelines which encourage its suppliers to comply with applicable laws pertaining to environmental and social performance and maintain the right balance between environmental protection, social well-being and economic growth. Saregama also works towards developing its vendors and suppliers by sharing best practices for continuous improvement and encouraging them to adopt the latest technologies.

BUSINESS RESPONSIBILITY REPORT *(contd.)*

Principle 3: Businesses should promote the well-being of all employees

Saregama believes in a work philosophy that recognizes and honours performance and enables employees to realize their potential. As of 31st March 2020, Saregama had a total of 314 permanent employees, which included 60 women, along with 667 employees who were hired on temporary/contractual/casual basis. The Company did not have any employee with disabilities nor did it have an employee association that was recognized by the management.

Saregama believes that skill enhancement of its workforce not only improves the productivity of the Company but also enhances the development and career progression of its employees. All new employees are onboarded through specific programs that are designed to introduce them to the Company and ease them into their respective roles. Further, based on the needs of different departments, skill up-gradation and behavioural training are conducted from time to time. Sales Training, Early Leaders' Behavioural Training and Young Managers' Program are some examples of the training conducted in the reporting year.

Saregama is an equal opportunity employer and is committed to a work environment in which all individuals are treated with respect and dignity, without any discrimination. The Company has zero-tolerance to any form of harassment, especially if it is sexual in nature and has also formulated a Prevention of Sexual Harassment Policy. The Company did not receive any complaints relating to child labour, forced labour, involuntary labour, sexual harassment or discriminatory employment in the reporting year and none are pending as on 31st March 2020.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

Saregama considers all individuals directly or indirectly associated with it as its stakeholders, including employees, customers, investors, regulatory bodies, suppliers, vendors and the local community. The Company strives to positively impact these stakeholders and the society in general, by promoting inclusive growth and empowering the disadvantaged sections of the society. To this end, Saregama has a Corporate Social Responsibility (CSR) Policy that guides its community development initiatives, which are primarily focused on healthcare, education and holistic development for the underprivileged.

Principle 5: Businesses should respect and promote human rights

Saregama aims to promote a culture which respects and upholds human rights while ensuring compliance with all applicable laws pertaining to human rights. To this end, Saregama has adopted a Human Rights Policy which extends to all its business activities and is applicable to every individual working for the Company. Saregama also has Supplier Guidelines which encourage its suppliers to comply with all applicable laws pertaining to human rights. The Company did not receive any stakeholder complaint on breach of human right in the reporting year.

Principle 6: Business should respect, protect, and make efforts to restore the environment

As a company that does not have any manufacturing activities, Saregama does not have a significant direct environmental impact. However, it has a Sustainability Policy that underscores its commitment to comply with all applicable environmental laws, while constantly evaluating steps to become an environmentally responsible organization. Saregama also has Supplier Guidelines which encourage its suppliers to comply with applicable environmental laws and minimize the environmental impact due to their operations and as per design the entire packaging material of carvaan is made from 100 % recyclable & biodegradable paper.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

Saregama is a member of industry associations and responsibly participates in discussions on issues pertaining to the music industry. While doing so, the Company aims to advance the public good and positively contribute to industry discussions. Following are the key associations and bodies that Saregama is a member of:

- Confederation of Indian Industry
- Phonographic Performance Limited
- Indian Music Industry
- Indian Performing Right Society Limited

Principle 8: Businesses should support inclusive growth and equitable development

The CSR Policy of Saregama guides its community-related programs that are aimed at promoting inclusive development of deprived sections of the population. The Company is committed to identifying and supporting programs aimed at providing access to healthcare, drinking water and sanitation, besides programs that promote inclusive education, skill development, livelihood generation, environmental conservation and women empowerment.

BUSINESS RESPONSIBILITY REPORT *(contd.)*

Apart from regular monitoring and evaluation of CSR projects, baseline, mid-term and end-line surveys are conducted for individual projects to measure their impact against certain key parameters. Further, annual perception surveys are undertaken through third parties to assess the beneficiary and stakeholder perception of the Company's CSR activities and their level of satisfaction with the same.

In order to increase the ownership of the projects among the local community, beneficiary committees/groups have been formed in all the projects, which also empower the community to participate and contribute to their projects. To further ensure the long term sustainability of these projects, stakeholder consultations are held at regular intervals.

In FY 2019-20, the total contribution of the Company towards community development projects forms part of Annexure B to Director's report, which was spent on setting up of an institution of excellence in Kolkata, West Bengal.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

Saregama believes in keeping customers first in all its activities. Through Carvaan, a digital audio player, and its variants, the Company intends to provide interesting content for all age groups. Saregama has a Policy on Providing Value to Customers, which underlines its commitment to engage with and provide value to its customers in a responsible manner. As part of its customer commitment, the Company has a post-sales, at-home customer service facility, which helps the customers in resolving issues within a definite period of time. Saregama had one consumer case pending as on 31st March 2020.

For Carvaan and its variants, the Company displays all the product information on the product packaging, as mandated by the applicable local laws.

Saregama leverages its media presence, including digital media, to reach out to current as well as prospective audiences in an engaging manner. There was no pending stakeholder case against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour as on 31st March 2020.

Under the banner of Yoodlee Films, the Company produces thematic and award-winning films that are primarily aimed at digital audiences. These films are a source of a new kind of film experience for younger generation viewers. The Company touches upon socially relevant issues to create awareness.

Saregama has always believed in customer engagement and has evolved its products and services based on customer feedback. The Company measures customer satisfaction through a social listening tool, which tracks the nature of online mentions that the brand receives. Further, a customer satisfaction survey is carried out for all complaint calls that are received from the customers.

For and on behalf of the Board of Directors

Sanjiv Goenka
Chairman and Non-Executive Director
DIN:00074796

Vikram Mehra
Managing Director
DIN: 03556680

Date: June 5, 2020
Place: Kolkata

INDEPENDENT AUDITOR'S REPORT

To the Members of Saregama India Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Saregama India Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2020, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Description of Key Audit Matter

Revenue Recognition

See note 21 to the standalone financial statements

The key audit matter	How the matter was addressed in our audit
The Company derives its revenues from the sale of contractually manufactured products; licensing of music rights and income from films and television serials including free commercial time. The recognition of revenue from licence fees has been considered to be critical since the Company has entered into multiple complex contracts with its customers. The revenue gets recognised based on the logs/ information as received from such customers. The complexity of these contractual terms also requires the Company to make judgments in assessing whether it has fulfilled its obligations under the contracts before recognizing the revenue.	Our audit procedures include the following: • We have evaluated the terms of significant contracts pertaining to revenue from licence fees to identify the performance obligations under these contracts; • We have considered the revenue recognition policies of the Company in respect of those contracts and assessing the consistent application of these policies in light of the requirements of relevant accounting standards; • We have tested the effectiveness of relevant controls over revenue from licence fees; and • We have selected sample transactions and performed substantive procedures with regard to revenue from licence fees by agreeing to third party information, logs received from the customers and other relevant information. We tested the transactions closer to the year end to check the recognition of revenue in the correct period. Our testing, as described above, showed that revenue has been recorded in accordance with the terms of underlying contracts and accounting policy.

Other Information

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

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

INDEPENDENT AUDITOR'S REPORT *(contd.)*

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

Management's and Board of Directors' Responsibility for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Standalone Financial Statements

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these

INDEPENDENT AUDITOR'S REPORT *(contd.)*

matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

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

e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.

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

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

i. The Company has disclosed the impact of pending litigations as at 31 March 2020 on its financial position in its standalone financial statements - Refer Note 38 to the standalone financial statements;

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

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

iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2020.

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

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

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

Jayanta Mukhopadhyay
Partner
Membership No.: 055757
UDIN: 20055757AAAABC5731

Place: Kolkata
Date: 05 June 2020

ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

Annexure A to the Independent Auditors' report on the standalone financial statements of Saregama India Limited for the year ended 31 March 2020

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

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

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

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

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

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

(iv) According to the information and explanations given to us, the Company has not given any loans, guarantees or securities during the year that would attract provisions of section 185 of the Act. In our opinion and accordingly to the information and explanations given to us, the provisions of Section 186 of the Act in respect to investments made has been complied with by the Company.

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

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

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

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, goods and services tax, duty of customs, cess, income tax and any other material statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.

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

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

Name of the Statute	Nature of the dues	Amount (Rs. in Lakhs)*	Period to which the Amount relates	Forum where the dispute is pending
Central Sales Tax Act, 1956	Sales Tax	1.62	2005-06, 2006-07	Joint Commissioner
Central Sales Tax Act, 1956	Sales Tax	1.48	1990-91, 2017-18	Deputy Commissioner
Central Sales Tax Act, 1956	Sales Tax	68.36	1999-00	Additional Commissioner
Central Sales Tax Act, 1956	Sales Tax	2.43	1998-99, 2008-09	Assistant Commissioner of Commercial/sales taxes
West Bengal Sales Tax Act, 1994	Sales Tax	146.30	1989-90, 1994-95, 2000-01, 2011-12	Deputy Commissioner
Maharashtra Value Added Tax, 2002	Value Added Tax	0.46	2011-12	Deputy Commissioner
Delhi Sales Tax Act, 1975	Sales Tax	1.55	1991-92	Deputy Commissioner of Commercial Taxes

Name of the Statute	Nature of the dues	Amount (Rs. in Lakhs)*	Period to which the Amount relates	Forum where the dispute is pending
Tamil Nadu General Sales Tax Act, 1959	Sales Tax	6.75	1986-87 to 1991-92	Tamil Nadu Taxation Special Tribunal
Andhra Pradesh General Sales Tax Act, 1957	Sales Tax	3.28	2004-05	Deputy Commissioner
Kerala General Sales Tax Act, 1963	Sales Tax	0.35	2002-03	Deputy Commissioner of Commercial Taxes
Uttar Pradesh Trade Tax Act, 1948	Sales Tax	2.01	2005-06, 2006-07	Joint Commissioner
Uttar Pradesh VAT Act, 2008	Sales Tax	3.46	2013-14	Additional Commissioner, Grade II(Appeal)
Central Sales Tax Act, 1956	Sales Tax	1.40	2013-14	Additional Commissioner, Grade II(Appeal)
Customs Act, 1962	Custom	52.02	2003-04 to 2007-08	Commissioner of Customs
Income Tax Act, 1961	Income tax	656.96	2012-13, 2013-14	Commissioner of Income tax Appeals

Amounts are net of Rs. 226.51 Lakhs which has been deposited under protest by the Company.

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

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

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

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

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

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

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

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

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

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

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

Jayanta Mukhopadhyay
Partner
Membership No.: 055757
UDIN: 20055757AAAABC5731

Place: Kolkata
Date: 05 June 2020

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

Annexure B to the Independent Auditors' report on the standalone financial statements of Saregama India Limited for the year ended 31 March 2020

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

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

Opinion

We have audited the internal financial controls with reference to financial statements of Saregama India Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial controls with Reference to Financial Statements

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

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

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

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

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

Jayanta Mukhopadhyay
Partner
Membership No.: 055757
UDIN: 20055757AAAABC5731

Place: Kolkata
Date: 05 June 2020

STANDALONE BALANCE SHEET AS AT 31 MARCH 2020

(Amount in Rupees lakhs, except otherwise stated)

Particulars	Notes	As at 31 March 2020	As at 31 March 2019
(1) Non-current assets			
(a) Property, plant and equipment	3	20,523.22	20,559.18
(b) Right-of-use assets	4	44.32	-
(c) Investment properties	5	230.56	236.12
(d) Intangible assets	6	1,103.43	687.35
(e) Investment in subsidiaries and joint venture	7	1,864.72	1,574.29
(f) Financial assets			
(i) Investments	8.1	6,185.58	12,123.59
(ii) Loans and deposits	8.2	437.60	459.52
(iii) Other financial assets	8.3	0.25	0.25
(g) Other non-current assets	9	224.81	153.34
Total non-current assets		30,614.49	35,793.64
(2) Current assets			
(a) Inventories	10	8,907.39	9,244.25
(b) Financial assets			
(i) Trade receivables	11.1	11,030.21	11,295.88
(ii) Cash and cash equivalents	11.2	329.70	144.74
(iii) Bank balances other than (ii) above	11.3	194.61	178.58
(iv) Loans	11.4	132.48	126.15
(v) Other financial assets	11.5	7.32	9.45
(c) Current tax assets (net)	12	3,536.40	3,364.10
(d) Other current assets	13	7,162.15	9,022.58
Total current assets		31,300.26	33,385.73
TOTAL ASSETS		61,914.75	69,179.37
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	14.1	1,742.60	1,741.05
(b) Other equity	14.2	39,635.91	40,872.67
Total equity		41,378.51	42,613.72
Liabilities			
(1) Non-current liabilities			
(a) Employee benefit obligations	15	288.09	245.55
(b) Deferred tax liabilities (net)	16	4,508.03	5,574.41
Total non-current liabilities		4,796.12	5,819.96
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	17.1	633.22	6,080.98
(ii) Trade payables			
a) Total outstanding dues of micro enterprises and small enterprises	17.2	2.31	1.91
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	17.2	5,217.38	5,253.24
(iii) Lease liabilities	4	47.03	-
(iv) Other financial liabilities	17.3	2,210.19	4,113.16
(b) Other current liabilities	18	2,273.70	1,659.64
(c) Provisions	19	5,141.00	3,555.33
(d) Employee benefit obligations	20	215.29	81.43
Total current liabilities		15,740.12	20,745.69
TOTAL LIABILITIES		20,536.23	26,565.65
TOTAL EQUITY AND LIABILITIES		61,914.75	69,179.37

The accompanying notes 1 to 46 are an integral part of these standalone financial statements

As per our report of even date attached

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

Jayanta Mukhopadhyay
Partner
Membership No.: 055757
UDIN: 20055757AAAABC5731

Place : Kolkata
Date : 05 June 2020

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

Sanjiv Goenka
Chairman
DIN: 00074796

Vikram Mehra
Managing Director
DIN: 03556680

Vineet Garg
Chief Financial Officer

Kamana Khetan
Company Secretary
ACS: 35161

Place : Kolkata
Date : 05 June 2020

Place : Kolkata
Date : 05 June 2020

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2020

(Amount in Rupees lakhs, except otherwise stated)

	Particulars	Notes	Year ended 31 March 2020	Year ended 31 March 2019
I	Revenue from operations	21	50,011.29	52,436.53
II	Other income	22	1,148.36	5,954.48
III	**Total income (I+II)**		51,159.65	58,391.01
IV	**Expenses**			
	Contract manfacturing charges	23	9,979.42	21,481.37
	Cost of production of films and television serials	24	5,408.43	4,882.90
	Changes in inventories of finished goods and work-in-progress [(increase)/decrease]	25	336.86	(4,519.52)
	Employee benefits expense	26	5,344.20	4,406.00
	Finance costs	27	671.27	655.16
	Depreciation and amortisation expense	28	444.86	301.31
	Other expenses	29	22,395.65	22,957.27
	Total expenses (IV)		44,580.69	50,164.49
V	**Profit before tax (III-IV)**		6,578.96	8,226.52
VI	Tax Expense			
	- Current tax	30	1,962.38	2,128.70
	- Tax related to prior period	30	45.95	-
	- Deferred tax [(credit)/charge]	16	(328.64)	904.80
	Total tax expense (VI)		1,679.69	3,033.50
VII	**Profit for the year (V-VI)**		4,899.27	5,193.02
VIII	**Other comprehensive income**			
	Items that will not be reclassified subsequently to profit or loss:			
	(a) Remeasurements of post-employment benefit obligations		(93.73)	31.45
	(b) Changes in fair value of equity instruments designated at FVOCI		(5,938.01)	(216.24)
	(c) Income tax relating to items that will not be reclassified subsequently to profit or loss	16	710.71	18.94
	Other comprehensive income for the year, net of tax (VIII)		(5,321.03)	(165.85)
IX	**Total comprehensive income for the year (VII+VIII)**		(421.76)	5,027.17
X	**Earnings per equity share:** [Nominal value per share **Rs.10** (previous year - Rs.10)]			
	Basic (Rs.)	40	28.20	29.83
	Diluted (Rs.)	40	28.16	29.80

The accompanying notes 1 to 46 are an integral part of these standalone financial statements
As per our report of even date attached

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

Jayanta Mukhopadhyay
Partner
Membership No.: 055757
UDIN: 20055757AAAABC5731

Place : Kolkata
Date : 05 June 2020

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

Sanjiv Goenka
Chairman
DIN: 00074796

Vikram Mehra
Managing Director
DIN: 03556680

Vineet Garg
Chief Financial Officer

Kamana Khetan
Company Secretary
ACS: 35161

Place : Kolkata
Date : 05 June 2020

Place : Kolkata
Date : 05 June 2020

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020

(Amount in Rupees lakhs, except otherwise stated)

A. Equity share capital

Description	Number of shares	Amount
As at 1 April 2018	17,410,492	1,741.05
Changes in equity share capital	-	-
As at 31 March 2019	**17,410,492**	**1,741.05**
Changes in equity share capital	15,520	1.55
As at 31 March 2020	**17,426,012**	**1,742.60**

B. Other equity

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

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

Particulars	Reserve and surplus					Item of Other Comprehensive Income (OCI)		Total
	General reserve	Securities premium	Share options outstanding reserve	Treasury Shares	Retained earnings	Revaluation surplus	Equity instruments through OCI	
Balance at 1 April 2019	693.95	9,082.42	14.32	-	12,927.99	10,320.87	7,833.12	40,872.67
Profit for the year	-	-	-	-	4,899.27	-	-	4,899.27
Other comprehensive income for the year (net of tax)	-	-	-	-	(70.14)	-	(5,250.89)	(5,321.03)
Total comprehensive income for the year	-	-	-	-	4,829.13	-	(5,250.89)	(421.76)
Issue of equity shares under Saregama Employee Stock Option Scheme 2013	-	19.72	-	-	-	-	-	19.72
Final dividend on equity shares for the financial year 2018-19	-	-	-	-	(522.60)	-	-	(522.60)
Dividend distribution tax on above	-	-	-	-	(107.42)	-	-	(107.42)
Recognition of share based payment expense (net)	-	-	521.11	-	-	-	-	521.11
Deferred Tax on revaluation of property, plant and equipment	-	-	-	-	-	27.03	-	27.03
Purchase of treasury shares by the trust during the year (Refer Note 14.2)	-	-	-	(764.32)	-	-	-	(764.32)
Transfer from share options outstanding reserve on exercise/lapse	-	-	-	-	11.48	-	-	11.48
Balance at 31 March 2020	693.95	9,102.14	535.43	(764.32)	17,138.58	10,347.90	2,582.23	39,635.91

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

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

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

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

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

(iv) **Treasury shares :** The Company has formed Saregama Welfare Trust ("SWT") for implementation of the Schemes that are notified or may be notified from time to time by the Company under the plan, providing shared based benefits to its employees. SWT purchases shares of the Company out of funds borrowed from the Company. The Company treats SWT as its extension and shares held by SWT are treated as treasury shares.

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

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

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

The accompanying notes 1 to 46 are an integral part of these standalone financial statements
As per our report of even date attached

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

Jayanta Mukhopadhyay
Partner
Membership No.: 055757
UDIN: 20055757AAAABC5731

Place : Kolkata
Date : 05 June 2020

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

Sanjiv Goenka
Chairman
DIN: 00074796

Vikram Mehra
Managing Director
DIN: 03556680

Vineet Garg
Chief Financial Officer

Kamana Khetan
Company Secretary
ACS: 35161

Place : Kolkata
Date : 05 June 2020

Place : Kolkata
Date : 05 June 2020

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

Background

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

The standalone financials statements were approved and authorised for issue with the resolution of the Board of Directors on 05 June 2020.

1 SIGNIFICANT ACCOUNTING POLICIES

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

(a) **Basis of preparation**

(i) Compliance with Ind AS

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

(ii) Basis of measurement

(a) Historical cost convention

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

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

(b) Functional and presentation currency

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

(iii) Current versus non-current classification

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

Assets

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

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

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

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

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

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

All other assets are classified as non-current.

Liabilities

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

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

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

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

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

All other liabilities are classified as non-current.

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

(b) **Revenue recognition**

Effective 1 April 2018, the Company has applied Ind AS 115, Revenue from Contracts with Customers, which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised.

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

- Revenue from the sale of products is recognised at the point in time when control is transferred to the customer. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers. For sale of product on a bill-and hold basis, Company recognises revenue when it satisfies its performance obligation to transfer the control of a product to the customer. For a customer to have obtained control of a product in a bill-and-hold arrangement, Company has applied the guidance as set out in Ind AS 115.

- Revenue from Music licensing where the customer obtains a "right to use" is recognized at the time the license is made available to the customer. Revenue from licenses where the customer obtains a "right to access" is recognized over the access period.
- Revenue from the sale of televeision serial episodes is recognised upfront at the point in time when the episode is delivered to the customer.
- Revenue from sale of free commercial time (net of trade discount, as applicable) are recognised when the related advertisement or commercials appears before the public, i.e. on telecast.
- Revenue from theatrical distribution is recognised on exhibition of films. In case of distribution through theatres, revenue is recognised on the basis of box office reports received from various exhibitors. Contracted minimum guarantees are recognised on theatrical release.
- Revenue from Sale of films rights are recognised on assignment of such rights as per terms of the sale/licencing agreements.

The billing schedules agreed with customers include periodic performance based payments and / or milestone based progress payments. Invoices are payable within contractually agreed credit period.

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

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

Use of significant judgements in revenue recognition :

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

Interest income

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

Dividend income

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

Rental income

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

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

All items of property, plant and equipment other than freehold land are stated at historical cost i.e. cost of acquisition/ construction or at deemed cost as on the date of transition to Ind AS less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

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

Depreciation method, estimated useful lives and residual values

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

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

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

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

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

Transition to Ind AS

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

(d) **Investment properties**

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

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

Transition to Ind AS

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

(e) **Intangible assets**

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

(i) Music Copyrights

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

(ii) Computer Software

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

Amortisation method and year

The Company amortises intangible assets with a finite useful lives using the straight-line method over the following periods:

Music Copyrights are amortised on straight line basis over a period of 1-10 years. The Company reviews the expected future revenue potential at the end of each accounting period and recognises impairment loss, where required.

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

Advances paid towards the cost of intangible assets outstanding at each balance sheet date is classified as 'Capital advances' under other non- current assets.

Transition to Ind AS

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

(f) **Impairment of non-financial assets**

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

(g) **Leases**

The Company as a lessee

The Company's lease asset classes primarily consist of leases for buildings and vehicles. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii)the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e.the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Company as a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. The Company recognises lease payments received under operating leases as income on a straight- line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

Under the erstwhile standard Ind AS 17, operating lease payments as per terms of the agreement, were recognised as an expense in the Statement of Profit and Loss on a straight line basis, except where another systematic basis was more representative of the time pattern in which economic benefits from the leased asset were consumed.

Effective 01 April 2019, the Company adopted Ind AS116 'Leases" and applied the standard to lease contracts existing on 01 April 2019 using the modified retrospective method on the date of initial application. Consequently, the lease liabilities is recognized at the present value of lease payment discounted at the weighted average incremental borrowing rate and same amount is recognized for ROU assets. Comparatives as at and for the year ended 31 March 2019 have not been restated.

The following is the summary of practical expedients elected on initial application:

- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
- Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term and low value leases on the date of initial application.
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

Ind AS 116 will result in an increase in cash in flows from operating activities and an increase in cash out flows from financing activities on account of lease payments.

The weighted average incremental borrowing rate applied to lease liabilities as at 01 April 2019 is 9.54%. Refer Note 4 for impact of Ind AS 116.

(h) **Inventories**

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

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

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

(i) **Investments in subsidiaries**

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

Transition to Ind AS

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

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

(i) Classification

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

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

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

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

In accordance with Ind AS 101, the Company had irrevocably designated its investment in equity instruments as FVOCI on the date of transition to Ind AS.

(ii) Measurement

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

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

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

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

(iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets which are not fair valued through profit or loss. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 34(A) details how the Company determines whether there has been a significant increase in credit risk.

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

(iv) Derecognition of financial assets

A financial asset is derecognised only when

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

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

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

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

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

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

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

(vii) Financial liabilities at amortised cost

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit and Loss.

Any gain or loss on derecognition is also recognised in Statement of Profit and Loss.

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

(viii) Fair value of financial instruments

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

(k) **Offsetting financial instruments**

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

(l) **Trade receivables**

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

(m) **Cash and cash equivalents**

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

(n) **Trade payables**

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

(o) **Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

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

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

(p) **Borrowing costs**

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

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

(q) **Foreign currency transactions and translation**

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

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

(r) **Employee benefits expense**

(i) Short-term employee benefits

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

(ii) Other long-term employee benefits

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

(iii) Post-employment benefits

Defined benefit plans

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

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

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

Defined contribution plans

The Company has certain defined contribution plans viz. provident fund and superannuation fund. Contributions for provident fund are made at specified percentage of the covered employee's qualifying salary to a government administered fund. Contribution for superannuation fund are made yearly based on a specified percentage of each covered employee's salary to a Trust set up by the Company. Contributions under Defined Contribution Plans are recognised as expenses for the period in which the employee has rendered the service.

(iv) Share-based payments

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

Employee Options

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

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

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

Share appreciation rights

Liabilities for the Company's Share Appreciation Rights (SAR), granted pursuant to Company's share appreciaton rights schemes, is measured initially and at the end of each reporting period until settled, at fair value of the SAR, by applying option pricing model, and is recognised as employee benefit expense over the relevant service period. The liabilities are presented as employee benefits obligations in the balance sheet.

(s) **Royalty**

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

(t) **Income tax**

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

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

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

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

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

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

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

(u) **Provisions and contingencies**

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

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

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

(v) **Earnings per share**

(i) Basic earnings per Share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year excluding treasury shares

(ii) Diluted earnings per share

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

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

(w) **Rounding of amounts**

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

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

Mininstry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1 April 2020.

2 CRITICAL ESTIMATES AND JUDGEMENTS

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

The areas involving critical estimates or judgements are:

Employee benefits (estimation of defined benefit obligations) - **Notes 1(r) and 31**

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

Impairment of trade receivables — **Notes 1 (j)(iii) and 34**

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

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

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

Contingencies - **Notes 1(u) and 38**

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

Valuation of deferred tax assets - **Notes 1(t) and 16**

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

Fair value measurements — **Notes 1(j)(viii) and 33**

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

Estimation of uncertainties relating to the global health pandemic from COVID-19:

In view of pandemic relating to COVID – 19, the Company has considered internal and external information available upto the date of approval of these standalone financial statements and has performed analysis based on current estimates in assessing the recoverability of its assets including trade receivables, inventories, investments, other financial and non-financial assets, for possible impact on these financial statements. The Company has also assessed the impact of this whole situation on its capital and financial resources, profitability, liquidity position, etc. On the basis of its present assessment and current indicators of future economic conditions, the Company expects to recover the carrying amounts of these assets and does not anticipate any material impact on these standalone financial statements. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration. The impact of the global health pandemic may be different from that estimated as at the date of approval of these standalone financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

3 PROPERTY, PLANT AND EQUIPMENT (PPE)

(Amount in Rupees lakhs, except otherwise stated)

Description	Gross carrying amount				Accumulated depreciation				Carrying amount (net)	
	Cost as at 1 April 2019	Additions/ adjustments	Deductions/ adjustments	Cost as at 31 March 2020	As at 1 April 2019	Depreciation for the year	Deductions/ adjustments	As at 31 March 2020	As at 31 March 2020	As at 31 March 2019
Land - Freehold	20,007.76	-	-	20,007.76	-	-	-	-	20,007.76	20,007.76
Buildings - Freehold	70.59	-	-	70.59	23.69	3.97	-	27.66	42.93	46.90
Leasehold buildings	37.71	-	-	37.71	2.40	0.80	-	3.20	34.51	35.31
Plant and equipment	3.13	-	-	3.13	2.42	0.71	-	3.13	-	0.71
Furniture and fixtures	415.07	24.80	-	439.87	174.04	49.85	-	223.89	215.98	241.03
Office equipment	614.13	113.78	3.25	724.66	386.66	117.40	1.44	502.62	222.04	227.47
Vehicles	9.57	-	-	9.57	9.57	-	-	9.57	-	-
Total	21,157.96	138.58	3.25	21,293.29	598.78	172.73	1.44	770.07	20,523.22	20,559.18

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

3.1 The Company has chosen the revaluation model for land and cost model for other items of PPE as its accounting policy [Refer Note 1(c)]. Accordingly, Company's land was revalued on 1 April 2016 by registered valuer using market approach. Resultant incremental value amounting to Rs. 11,640.29 lakhs were added to the book value of related land with corresponding credit to OCI and other equity. The carrying amount of land that would have been recognised had it been carried under the cost model is Rs.6,567.47 Lakhs.

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

3.3 The Company has borrowings from banks which carry charge over certain of the above PPE (Refer Note 17.1 for details).

3.4 Aggregate amount of depreciation has been included under 'Depreciation and amortisation expense' in the Statement of Profit and Loss (Refer Note 28).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

4 LEASES

Company as a Lessee

Following are the changes in the carrying value of right-of-use assets for the year ended 31 March 2020:

Particulars	Leasehold premises and vehicles
Balance as of 1 April 2019	-
Reclassified on account of adoption of Ind AS 116 as at 1 April 2019	117.97
Additions	7.97
Deletion	-
Depreciation	81.62
Balance as of 31 March 2020	**44.32**

Aggregate amount of depreciation has been included under 'Depreciation and amortisation expense' in the Statement of Profit and Loss (Refer Note 28).

The following is the break-up of current and non-current lease liabilities as at 31 March 2020:

Particulars	As at 31 March 2020
Current lease liabilities	47.03
Non-current lease liabilities	-
Total	**47.03**

The following is the movement in lease liabilities during the year ended 31 March 2020:

Particulars	Leasehold premises and vehicles
Balance as of 1 April 2019	-
Reclassified on account of adoption of Ind AS 116 as at 1 April 2019	117.97
Additions	7.97
Finance cost accrued during the year	9.02
Deletion	-
Payment of lease liabilities	87.93
Balance as of 31 March 2020	**47.03**

The table below provides details regarding the contractual maturities of lease liabilities as at 31 March 2020 on an undiscounted basis:

Particulars	As at 31 March 2020
Less than one year	47.03
One to five years	-
More than five years	-
Total	**47.03**

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The Company has incurred expenses relating to short term leases and leases of low value assets for certain accommodation. Terms of such lease include option for renewal on mutually agreed terms. There are no restrictions imposed by lease

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

arrangements and there are no purchase options or sub leases or contingent rents. Operating lease rentals for the year recognised in Statement of Profit and Loss amounts to **Rs.334.79 Lakhs** (previous year - Rs.334.44 Lakhs).

The total cash outflow for leases is Rs.422.72 Lakhs for the year ended 31 March 2020, including cash outflow for short term leases and leases of low value assets.

Company as a Lessor

Rent income includes payments of **Rs.23.58 Lakhs** (previous year - Rs.22.79 Lakhs) for the year relating to agreements entered into by the Company. There are no restrictions imposed by lease arrangements and there are no contingent rents recognised as income for the period. These lease arrangements inter alia include escalation clause/option for renewal.

5 INVESTMENT PROPERTIES

	As at 31 March 2020	As at 31 March 2019
Gross carrying amount		
At the beginning of the year	252.71	252.71
Additions during the year	-	-
Deletions during the year	-	-
At the end of the year	252.71	252.71
Accumulated depreciation		
At the beginning of the year	16.59	11.06
Depreciation charge during the year	5.56	5.53
At the end of the year	22.15	16.59
Carrying amount (net)	230.56	236.12

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

	Year ended 31 March 2020	Year ended 31 March 2019
Rental income (Refer Note 22)	23.58	22.79
Profit from investment properties before depreciation	23.58	22.79
Depreciation (Refer Note 28)	5.56	5.53
Profit from investment properties	18.02	17.26

(ii) Fair value

	As at 31 March 2020	As at 31 March 2019
Investment properties	1,874.01	1,858.88

Estimation of fair value

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

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

6 INTANGIBLE ASSETS

Description	Gross carrying amount				Accumulated amortisation and impairment							Carrying amount (net)	
	Cost as at 1 April 2019	Additions/ adjustments	Deductions/ adjustments	Cost as at 31 March 2020	Amortisation as at 1 April 2019	Impairment as at 1 April 2019	Amortisation for the year	Impairment/ (Reversal) for the year	Deductions/ adjustments	Amortisation as at 31 March 2020	Impairment as at 31 March 2020	As at 31 March 2020	As at 31 March 2019
Copyrights-Music	1,128.85	594.99	-	1,723.84	447.99	-	180.00	-	-	627.99	-	1,095.85	680.86
Computer Software	66.94	6.04	-	72.98	60.45	-	4.95	-	-	65.40	-	7.58	6.49
Total	1,195.79	601.03	-	1,796.82	508.44	-	184.95	-	-	693.39	-	1,103.43	687.35

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

6.1 The amortisation expense of intangible assets have been included under 'Depreciation and amortisation expense' in the Statement of Profit and Loss (Refer Note 28).

7 INVESTMENT IN SUBSIDIARIES AND JOINT VENTURE

	Face value of each unit as at 31 March 2020	Face value of each unit as at 31 March 2019	Number of shares as at 31 March 2020	Number of shares as at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Investment in joint venture at cost (Unquoted)						
Saregama Regency Optimedia Private Limited (Joint venture) #	Rs. 10	Rs. 10	14,59,584	14,59,584	-	-
Investment in subsidiary at cost (Unquoted)						
a) Saregama Limited (formerly known as Saregama Plc.)	1 pence	1 pence	76,29,072	76,29,072	-	8.82
Less: Provision for impairment in the value of Investment					-	(8.82)
					-	-
b) RPG Global Music Limited	US $ 1	US $ 1	23,14,885	23,14,885	-	-
c) Kolkata Metro Networks Limited	Rs.10	Rs.10	1,70,50,000	1,70,50,000	1,554.10	1,554.10
d) Open Media Network Private Limited [Refer Note 44(b)]	Rs.10	Rs.10	7,08,27,000	1,0,75,600	6,975.14	-
Less: Provision for impairment in the value of Investment [Refer Note 44(b)]					(6,975.14)	-
					-	-
e) Saregama FZE	AED 1,000 each	AED 1,000 each	1,500	100	310.62	20.19
					1,864.72	1,574.29
Aggregate carrying value of unquoted investments					1,864.72	1,574.29
Aggregate provision for impairment in the value of investments					6,975.14	8.82

Under liquidation effective 19 November 2016, referred to in Note 41

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

8 FINANCIAL ASSETS (NON-CURRENT)

8.1 INVESTMENTS

	Face value of each unit as at 31 March 2020	Face value of each unit as at 31 March 2019	Number of shares as at 31 March 2020	Number of shares as at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Investments carried at fair value through other comprehensive income						
Quoted - fully paid equity shares in other companies						
CESC Limited	Rs.10	Rs.10	12,59,988	12,59,988	5,150.83	9,206.10
Phillips Carbon Black Limited	Rs.2	Rs.2	500	500	0.31	0.88
Harrisons Malayalam Limited	Rs.10	Rs.10	100	100	0.05	0.07
CFL Capital Financial Services Limited	Rs.10	Rs.10	100	100	0.02	0.02
STEL Holdings Limited	Rs.10	Rs.10	100	100	0.04	0.10
CESC Ventures Limited (formerly RP SG-Business Process Services Limited)	Rs.10	Rs.10	2,51,997	2,51,997	294.84	1,567.30
Spencers Retail Limited (formerly RP-SG Retail Limited)	Rs.5	Rs.5	7,55,992	7,55,992	560.95	1,209.59
Unquoted - fully paid equity shares in other companies						
Spencer and Company Limited	Rs.9	Rs.9	200	200	0.58	0.48
Woodlands Multispeciality Hospital Limited	Rs.10	Rs.10	2,250	2,250	5.60	5.60
Timbre Media Private Limited	Rs.10	Rs.10	2,30,000	2,30,000	172.36	133.45
Total investments					6,185.58	12,123.59
Aggregate carrying value of quoted investments and market value thereof					6,007.04	11,984.06
Aggregate carrying value of unquoted investments					178.54	139.53
Aggregate provision for impairment in the value of investments					-	-

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

	Fair value as at 31 March 2020	Dividend income recognised during 2019-20	Fair value as at 31 March 2019	Dividend income recognised during 2018-19
Investment in CESC Limited	5,150.83	252.00	9,206.10	220.50
Investment in Phillips Carbon Black Limited	0.31	0.03	0.88	0.02
Investment in Harrisons Malayalam Limited	0.05	-	0.07	-
Investment in CFL Capital Financial Services Limited	0.02	-	0.02	-
Investment in STEL Holdings Limited	0.04	-	0.10	-
Investment in CESC Ventures Limited (formerly RP SG-Business Process Services Limited)	294.84	-	1,567.30	-
Investment in Spencers Retail Limited (formerly RP-SG Retail Limited)	560.95	-	1,209.59	-
Investment in Spencer and Company Limited	0.58	-	0.48	-
Investment in Woodlands Multispeciality Hospital Limited	5.60	-	5.60	-
Investment in Timbre Media Private Limited	172.36	-	133.45	-
Total	6,185.58	252.03	12,123.59	220.52

Note: Pursuant to the Composite Scheme of Arrangement involving CESC Limited (CESC) and nine other CESC subsidiaries as approved by the Hon'ble National Company Law Tribunal, Kolkata Bench, the Company is entitled to receive 5 equity shares of Rs.10 each of the Haldia Energy Limited for every 10 equity shares held in CESC Limited, allotment of the same is pending as on 31 March 2020. Hence, pending such allotment no adjustment has been made in the financial statements.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

8.2 LOANS AND DEPOSITS

	As at 31 March 2020	As at 31 March 2019
Security deposits		
Unsecured, considered good	437.60	459.52
Total loans and deposits	437.60	459.52

8.3 OTHER FINANCIAL ASSETS

	As at 31 March 2020	As at 31 March 2019
Bank Deposits with maturity more than 12 months*		
Unsecured, considered good	0.25	0.25
Total other financial assets	0.25	0.25

* Lying with Government authority **Rs.0.25 Lakh** (31 March 2019 - Rs.0.25 Lakhs).

9 OTHER NON-CURRENT ASSETS

	As at 31 March 2020	As at 31 March 2019
Capital advances		
Unsecured, considered good	153.87	70.00
Unsecured, considered doubtful	36.38	36.38
Less: Provision for doubtful advances	(36.38)	(36.38)
	153.87	70.00
Prepaid expenses		
Unsecured, considered good	70.94	83.34
Total other non - current assets	224.81	153.34

10 INVENTORIES [Refer note 1(h)]

	As at 31 March 2020	As at 31 March 2019
Finished goods		
Untelecasted television serials/digital films	264.32	479.37
Carvaan/music card and others @	6,807.48	7,153.78
Work-in-progress		
Digital films under production	1,835.59	1,611.10
Total inventories	8,907.39	9,244.25

@ Includes good in transit worth **Rs.82.40 Lakhs** (31 March 2019 - Rs. 460.89 Lakhs).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

11 FINANCIAL ASSETS (CURRENT)

11.1 TRADE RECEIVABLES

	As at 31 March 2020	As at 31 March 2019
Trade receivables		
Unsecured, considered good	11,732.28	11,886.74
Credit impaired	353.19	353.19
Less: Allowance for expected credit loss	(1,055.26)	(944.05)
Total trade receivables	11,030.21	11,295.88

Notes:

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

(b) Information about the Company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in Note 34.

(c) For terms and conditions and balances of trade receivables owing from related parties (Refer Note 36).

11.2 CASH AND CASH EQUIVALENTS

	As at 31 March 2020	As at 31 March 2019
Cash on hand	2.21	2.73
Bank balances:		
- Current accounts	327.49	142.01
Total cash and cash equivalents	329.70	144.74

11.3 OTHER BANK BALANCES

	As at 31 March 2020	As at 31 March 2019
Earmarked balances with bank		
Deposits (with original maturity more than 3 months but remaining maturity period less than 12 months) #	174.42	162.36
Unpaid dividend accounts @	20.19	16.22
Total other bank balances	194.61	178.58

Includes **Rs.174.42 Lakhs** deposited with Delhi Court (31 March 2019 - Rs.162.36 Lakhs).

@ Earmarked for payment of unclaimed dividend

11.4 LOANS

	As at 31 March 2020	As at 31 March 2019
Loans to related parties (Refer Note 36 and 44)		
Unsecured, considered good	106.81	6,781.59
Less: Allowance for expected credit loss	-	(6,669.15)
	106.81	112.44
Loan to employees		
Unsecured, considered good	25.67	13.71
Total loans	132.48	126.15

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

11.5 OTHER FINANCIAL ASSETS

	As at 31 March 2020	As at 31 March 2019
Interest accrued on deposits with banks	7.24	5.17
Interest accrued on Loans to Related Parties (Refer Note 36)		
Unsecured, considered good	0.08	4.28
Total other financial assets	7.32	9.45

12 CURRENT TAX ASSETS (NET)

	As at 31 March 2020	As at 31 March 2019
Advance payment of Income Tax and Tax Deducted at Source [net of Provision for Taxation **Rs.8,957.20 Lakhs** (31 March 2019 - Rs 6,948.87 Lakhs)]	3,536.40	3,364.10
Total current tax assets (net)	3,536.40	3,364.10

13 OTHER CURRENT ASSETS

(Unsecured, considered good unless otherwise stated)

	As at 31 March 2020	As at 31 March 2019
Minimum guarantee royalty advances	1,726.16	1,918.67
Royalty advances		
Unsecured, considered good	54.70	120.16
Unsecured, considered doubtful	472.96	447.66
Less: Provision for doubtful advances	(472.96)	(447.66)
	54.70	120.16
Advance to artist against TV projects / films and events		
Unsecured, considered good	766.28	907.82
Unsecured, considered doubtful	324.98	324.98
Less: Provision for doubtful advances	(324.98)	(324.98)
	766.28	907.82
Prepaid expenses		
Unsecured, considered good	1,043.58	365.25
Unsecured, considered doubtful	44.06	44.06
Less: Provision for doubtful advances	(44.06)	(44.06)
	1,043.58	365.25
Other receivables	229.87	3,218.72
Advance against supply of goods	575.07	529.94
Balances with government authorities	2,746.41	1,941.94
Advance payment of fringe benefit tax [net of Provision **Rs.147.87 Lakhs** (31 March 2019 - Rs.147.87 Lakhs)]	20.08	20.08
Total other current assets	7,162.15	9,022.58

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

14 EQUITY SHARE CAPITAL AND OTHER EQUITY

14.1 EQUITY SHARE CAPITAL

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number of shares	Amount	Number of shares	Amount
Authorised				
Ordinary Shares of Rs.10 each	2,50,00,000	2,500.00	2,50,00,000	2,500.00
Issued				
Ordinary Shares of Rs.10 each	1,74,26,012	1,742.60	1,74,10,492	1,741.05
Subscribed and fully paid up				
Ordinary Shares of Rs.10 each	1,74,26,012	1,742.60	1,74,10,492	1,741.05

Reconciliation of number of ordinary shares outstanding

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number of shares	Amount	Number of shares	Amount
As at the beginning of the year	1,74,10,492	1,741.05	1,74,10,492	1,741.05
Add: Issue of shares on exercise of Options	15,520	1.55	-	-
As at the end of the year	1,74,26,012	1,742.60	1,74,10,492	1,741.05

Rights issue

Out of 53,38,628 equity shares 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 March 2019 - 5,290) equity shares (relating to cases under litigation/ pending clearence from the concerned authorities) are kept in abeyance as on 31 March 2020.

Rights, preferences and restrictions attached to shares

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

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

Shares held by holding company

Name of the Shareholder	As at 31 March 2020		As at 31 March 2019	
	Number of shares held	Amount (Rs. in Lakhs)	Number of shares held	Amount (Rs. in Lakhs)
Composure Services Private Limited	1,02,91,599	1,029.16	1,02,91,599	1,029.16

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

Name of the Shareholder	As at 31 March 2020		As at 31 March 2019	
	Number of shares held	Holding percentage	Number of shares held	Holding percentage
Composure Services Private Limited	1,02,91,599	59.06%	1,02,91,599	59.11%

Stock option schemes and stock appreciation rights

Information relating to Employee Option Plan, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in Note 32.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

14.2 OTHER EQUITY

Particulars	As at 31 March 2020	As at 31 March 2019
General reserve	693.95	693.95
Securities premium reserve	9,102.14	9,082.42
Share option outstanding account	535.43	14.32
Treasury Shares	(764.32)	-
Retained earnings	17,138.58	12,927.99
Revaluation reserve	10,347.90	10,320.87
Equity Instrument through OCI	2,582.23	7,833.12
Total Other Equity	39,635.91	40,872.67

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

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

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	693.95	693.95
Balance at the end of the year	693.95	693.95

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

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	9,082.42	9,082.42
Add: 15,520 Shares issued on exercise of Options (Refer Note 32)	19.72	-
Balance at the end of the year	9,102.14	9,082.42

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

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	14.32	14.37
Employee stock option expense (Refer Note 26 and 32)	532.59	3.05
Reversal on account of exercise/forfeiture of right	(11.48)	(3.10)
Balance at the end of the year	535.43	14.32

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

(iv) **Treasury Shares :** The Company has formed Saregama Welfare Trust (SWT) for implementation of the Schemes that are notified or may be notified from time to time by the Company under the plan, providing shared based benefits to its employees. SWT purchases shares of the Company out of funds borrowed from the Company. The Company treats SWT as its extension and shares held by SWT are treated as treasury shares.

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	-	-
Add: Purchase of treasury shares by the trust during the year	(764.32)	-
Balance at the end of the year	(764.32)	-

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

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	12,927.99	8,339.25
Net profit for the year	4,899.27	5,193.02
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment benefit obligation (net of tax)	(70.14)	22.29
Dividends paid	(522.60)	(522.31)
Dividends distribution tax paid	(107.42)	(107.36)
Transfer from share options outstanding reserve on exercise/lapse	11.48	3.10
Balance at the end of the year	17,138.58	12,927.99

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

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	10,320.87	10,318.20
Deferred tax on revaluation of PPE	27.03	2.67
Balance at the end of the year	10,347.90	10,320.87

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

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	7,833.12	8,021.26
Changes in fair value of FVOCI equity instruments during the year	(5,938.01)	(216.24)
Deferred tax on above	687.12	28.10
Balance at the end of the year	2,582.23	7,833.12

15 EMPLOYEE BENEFIT OBLIGATIONS (NON-CURRENT)

	As at 31 March 2020	As at 31 March 2019
Leave encashment obligations (Refer Note 31)	288.09	245.55
Total employee benefit obligations (non-current)	288.09	245.55

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

16 DEFERRED TAX LIABILITIES (NET)

The balance comprises temporary differences attributable to:

	Balance as at 1 April 2019	Recognised to profit or loss during the year	Other adjustments	Recognised to/ reclassified from OCI	Recognised directly to other equity	Balance as at 31 March 2020
Deferred tax liability						
Fair value changes on financial assets-equity instruments	1,051.01	-	-	(687.12)	-	363.89
Property, plant and equipment, right-of-use assets, intangible assets and investment property	4,305.45	23.02	-	-	(27.03)	4,301.44
Minimum guarantee royalty advance for films	614.67	(397.81)	-	-	-	216.86
Provision for royalty on licence fees	115.24	(43.71)	-	-	-	71.53
Total deferred tax liability	6,086.37	(418.50)	-	(687.12)	(27.03)	4,953.72
Deferred tax asset						
Allowance for expected credit loss	329.89	(64.30)	-	-	-	265.59
Expenditure allowable for tax purpose in subsequent years	101.81	(21.03)	-	23.59	-	104.37
Stock appreciation rights	45.27	-	-	-	-	45.27
Income received in advance-digital film	34.99	(16.37)	-	-	-	18.62
Lease Liabilities	-	11.84	-	-	-	11.84
Total deferred tax asset	511.96	(89.86)	-	23.59	-	445.69
Net deferred tax liability	5,574.41	(328.64)	-	(710.71)	(27.03)	4,508.03

	Balance as at 1 April 2018	Recognised to profit or loss during the year	Other adjustments	Recognised to/ reclassified from OCI	Recognised directly to other equity	Balance as at 31 March 2019
Deferred tax liability						
Fair value changes on financial assets-equity instruments	1,079.11	-	-	(28.10)	-	1,051.01
Property, plant and equipment, intangible assets and investment property	4,300.82	7.30	-	-	(2.67)	4,305.45
Minimum guarantee royalty advance for films	-	614.67	-	-	-	614.67
Provision for royalty on licence fees	27.07	88.17	-	-	-	115.24
Total deferred tax liability	5,407.00	710.14	-	(28.10)	(2.67)	6,086.37
Deferred tax asset						
Allowance for expected credit loss	492.77	(162.88)	-	-	-	329.89
Expenditure allowable for tax purpose in subsequent years	168.58	(66.77)	-	-	-	101.81
Stock appreciation rights	45.27	-	-	-	-	45.27
Income received in advance-digital film	-	34.99	-	-	-	34.99
Others	142.59	-	(133.43)	(9.16)	-	-
Total deferred tax asset	849.21	(194.66)	(133.43)	(9.16)	-	511.96
Net deferred tax liability	4,557.79	904.80	133.43	(18.94)	(2.67)	5,574.41

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

17 FINANCIAL LIABILITIES (CURRENT)

17.1 BORROWINGS

	As at 31 March 2020	As at 31 March 2019
Secured		
Loan repayable on demand from banks*	633.22	3,580.98
Unsecured		
Short-term loan from bank	-	2,500.00
Total Borrowings (Current)	633.22	6,080.98

* Cash Credit from Banks bearing interest rate between **9.25% to 10.00% p.a.** (2018-19: 9.25% to 10.00% p.a.) are secured by first pari passu charge (ranking pari passu with all consortium bankers) over the whole of the current assets of the Company including its inventories, bills receivable and book debts and all other movables, both present and future whether now lying loose or in cases wherever they may be situated and also by the second charge on the Company's movable fixed assets, both present and future ranking pari passu without any preference or priority of one over the others.

Refer Note (3), (10), (11.1), (11.2), (11.4) and (11.5) for details of carrying amount of assets pledged as security for secured borrowings and Note 34 for information about liquidity risk and market risk on borrowings.

17.2 TRADE PAYABLES

	As at 31 March 2020	As at 31 March 2019
Trade Payables		
a) Total outstanding dues of micro enterprises and small enterprises (refer below)	2.31	1.91
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	5,217.38	5,253.24
Total trade payables	5,219.69	5,255.15

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

Micro and Small Enterprises :

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

		As at 31 March 2020	As at 31 March 2019
(a)	The Principal amount and interest due thereon remaining unpaid to suppliers under MSMED as at the end of accounting year		
	Principal	0.57	0.61
	Interest	0.22	0.14
(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	0.58	-
	Interest	0.11	-
(c)	The amount of interest due and payable for principal paid during the year beyond the appointed day but without adding the interest specified under MSMED		
	Principal	-	-
	Interest	-	-
(d)	The amount of interest accrued and remaining unpaid at the end of the year	0.55	0.25
(e)	The amount of further interest remaining due and payable even in the succeeding year, until such date when interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as deductible expenditure under Section 23 of the MSMED [including Rs 1.30 Lakhs (31 March 2019 - Rs.0.91 Lakh being interest outstanding as at the beginning of the accounting year]	1.74	1.30

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

17.3 OTHER FINANCIAL LIABILITIES

	As at 31 March 2020	As at 31 March 2019
Security deposit		
Security deposit from dealers and others	54.99	55.68
Security deposit from General Insurance Corporation of India on sub lease of property	18.01	18.01
Unpaid Dividends*	20.19	16.22
Others		
Dealer's incentive	93.90	573.74
Liabilities for expenses	1,015.26	1,550.02
Employee benefits payable	804.94	1,699.92
Interest accrued and due on deposits from dealers	50.32	46.99
Liability towards deposits received under settlement	152.58	152.58
Total other financial liabilities	2,210.19	4,113.16

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

18 OTHER CURRENT LIABILITIES

	As at 31 March 2020	As at 31 March 2019
Income received in advance	1,742.56	1,094.78
Advance from customers	265.55	143.46
Amount payable to Government authorities*	206.09	421.40
Others	59.50	-
Total other current liabilities	2,273.70	1,659.64

*Primarily include payables in respect of Goods and Services Tax (GST) and tax deducted at source (TDS).

19 PROVISIONS

	As at 31 March 2020	As at 31 March 2019
Other provisions		
Provision for royalty on licence fees (Refer Note 19.1)	5,141.00	3,555.33
Total provisions	5,141.00	3,555.33

19.1 MOVEMENT OF PROVISION FOR ROYALTY ON LICENCE FEES

	As at 31 March 2020	As at 31 March 2019
Carrying amount at the beginning of the year	3,555.33	3,584.62
Charged/(credited) to profit or loss		
- created during the year	2,961.95	2,767.06
- discounting on provision created	(281.24)	(524.20)
- unwinding of discount on provision created	326.83	271.88
- unused amounts reversed	(120.09)	(988.42)
Amounts utilised during the year	(1,301.78)	(1,555.61)
Carrying amount at the end of the year	5,141.00	3,555.33

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

20 EMPLOYEE BENEFIT OBLIGATIONS (CURRENT)

	As at 31 March 2020	As at 31 March 2019
Leave encashment obligations (Refer Note 31)	76.08	52.98
Gratuity (Refer Note 31)	139.21	28.45
Total employee benefit obligations (current)	215.29	81.43

21 REVENUE FROM OPERATIONS

	Year ended 31 March 2020	Year ended 31 March 2019
Sale of products	19,271.57	28,272.65
Sale of services		
Income from films and television serials	7,024.52	4,764.59
Licence fees	23,469.05	19,384.06
Other operating revenue	246.15	15.23
Total revenue from operations	50,011.29	52,436.53

Disaggregation of revenue from contracts with customers

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

	Sale of Products		Licence Fees		Films/Television Serials	
	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2020	Year ended 31 March 2019
Revenue by Geography						
Domestic	19,245.72	28,272.65	14,773.38	13,763.31	6,481.70	4,089.34
International	25.85	-	8,695.67	5,620.75	542.82	675.25
	19,271.57	28,272.65	23,469.05	19,384.06	7,024.52	4,764.59
Timing of Revenue Recognition						
Products and services transferred at a point in time	19,271.57	28,272.65	8,534.94	12,171.11	7,024.52	4,764.59
Products and services transferred over time	-	-	14,934.11	7,212.95	-	-
Total Revenue from Contracts with customers	19,271.57	28,272.65	23,469.05	19,384.06	7,024.52	4,764.59

Contract Balances

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

	Year ended 31 March 2020	Year ended 31 March 2019
Receivables, which are included in 'trade receivables' (Refer Note 11.1)	11,030.21	11,295.88
Contract liabilities, which are included in 'income received in advance' (Refer Note 18)	1,742.56	1,094.78

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

A receivable is a right to consideration that is unconditional upon passage of time. Revenue from the sale of products is recognised at the point in time when control is transferred to the customer. Revenue from licenses where the customer obtains a "right to access" is recognized over the access period. Revenues in excess of billings is recorded as unbilled revenue and is classified as a financial asset for these cases as right to consideration is unconditional upon passage of time.

Invoicing in excess of earnings are classified as contract liability .

Changes in contract liabilities are as follows:

	Year ended 31 March 2020	Year ended 31 March 2019
Balance at the beginning of the year	1,094.78	391.11
Revenue recognised that was included in the contract liabilities at the beginning of the year	(1,094.78)	(391.11)
Increase due to invoicing during the year, excluding amounts recognised as revenue during the year	1,742.56	1,094.78
Balance at the end of the year	1,742.56	1,094.78

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

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

	Year ended 31 March 2020	Year ended 31 March 2019
Contracted prices	50,695.22	53,627.47
Reductions towards variable consideration components	(930.08)	(1,206.17)
Revenue recognised*	49,765.14	52,421.30

* The above balances include revenue from sale of products and sale of services.

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

Performance obligation

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

Type of product/ services	Nature and timing of satisfaction of performance obligation, including significant payment terms	Revenue recognition under Ind AS 115 (applicable from 1 April 2018)
Physical products	In case of sales of products, customer obtain control of the products when the goods are delivered at customer's premise.	Revenue from the sale of products is recognised at the point in time when control is transferred to the customer. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.
	For sale of product on a bill-and-hold basis, for a customer to have obtained control of a product in a bill-and-hold arrangement, Company has applied the guidance as set out in Ind AS 115.	Company recognises revenue when it satisfies its performance obligation to transfer the control of a product to the customer. For a customer to have obtained control of a product in a bill-and-hold arrangement, Company has applied the guidance as set out in Ind AS 115.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

Type of product/ services	Nature and timing of satisfaction of performance obligation, including significant payment terms	Revenue recognition under Ind AS 115 (applicable from 1 April 2018)
Music licensing	The performance obligation of "right-to-use" of Music Licensing contracts gets satisfied at the time of entering into agreement/ contracts with customers. In case of "right-to-access" of Music Licensing contracts, the Company undertakes activities that significantly affect the Music Licenses to which the customer has rights. In these cases, the performance obligation gets complete when the Customers accessess the music licenses. Payment is made as per the terms of the Contract.	Revenue from Music licensing where the customer obtains a "right to use" is recognized at the time the license is made available to the customer. Revenue from licenses where the customer obtains a "right to access" is recognized over the access period.
Sale of television serial episodes	In case of sale of TV serial episodes, customer obtain control of the TV Software when the same is delivered to them and revenue is recognised at that point in time.	Revenue from the sale of televeision serial episodes is recognised upfront at the point in time when the software is delivered to the customer.
Sale of free commercial time	The performance obligation gets satisfied at the time when the related advertisement or commercials appears before the public, i.e. on telecast.	Revenue from sale of free commercial time (net of trade discount, as applicable) are recognised when the related advertisement or commercials appears before the public, i.e. on telecast.
Theatrical distribution of films	The performance obligation gets satisfied at the time of exhibition of films.	Revenue from theatrical distribution is recognised on exhibition of films. In case of distribution through theatres, revenue is recognised on the basis of box office reports received from various exhibitors. Contracted minimum guarantees are recognised on theatrical release.
Sale of film rights	The performance obligation gets satisfied at the time of assignment of such rights as per terms of the sale/licencing agreements. Invoices are payable within contractually agreed credit period.	Revenue from Sale of films rights are recognised on assignment of such rights as per terms of the sale/licencing agreements.

22 OTHER INCOME

	Year ended 31 March 2020	Year ended 31 March 2019
Liabilities/Provisions no longer required written back	318.39	999.80
Provision for advances no longer required written back	-	7.38
Interest income under effective interest method (refer note below)	484.35	1,391.17
Dividend income from equity investments designated at FVOCI*	252.03	220.52
Profit on sale of property, plant and equipment	-	0.88
Profit on sale of Investment in Mutual Fund	0.12	0.43
Rent Income (Refer Note 4)	23.58	22.79
Net gain on foreign currency transactions/ translation	66.07	90.20
Insurance claim against fire (Refer Note 45)	-	3,218.72
Other non-operating income	3.82	2.59
Total other income	1,148.36	5,954.48

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

Note:

	Year ended 31 March 2020	Year ended 31 March 2019
Above Interest income comprises :		
- Interest income on bank balances and bank deposits	14.12	11.15
- Interest income on income tax refund	6.86	280.63
- Interest income on loan to related parties	118.19	516.85
- Unwinding of discount on financial assets	61.22	46.30
- Discounting of financial liabilities/provision	281.24	524.20
- Other interest	2.72	12.04
Total interest income	484.35	1,391.17

* All dividends from equity investments designated at FVOCI relate to investments held at the end of the reporting year.

23 CONTRACT MANUFACTURING CHARGES

	Year ended 31 March 2020	Year ended 31 March 2019
Contract manufacturing charges	9,979.42	21,481.37
Total contract manufacturing charges	9,979.42	21,481.37

24 COST OF PRODUCTION OF FILMS AND TELEVISION SERIALS

	Year ended 31 March 2020	Year ended 31 March 2019
Cost of production of films and television serials	5,408.43	4,882.90
Total cost of production of films and television serials	5,408.43	4,882.90

25 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS [(INCREASE)/DECREASE]

	Year ended 31 March 2020		Year ended 31 March 2019	
Opening Stock				
- Finished goods- Untelecasted television serials/digital films	479.37		110.47	
- Finished goods- Carvaan/music card and others	7,153.78		3,464.84	
- Work-in-progress- Digital films under production	1,611.10	9,244.25	1,149.42	4,724.73
Less:Closing Stock				
- Finished goods- Untelecasted television serials/digital films	264.32		479.37	
- Finished goods- Carvaan/music card and others	6,807.48		7,153.78	
- Work-in-progress- Digital films under production	1,835.59	8,907.39	1,611.10	9,244.25
Net decrease/(increase)		336.86		(4,519.52)

26 EMPLOYEE BENEFITS EXPENSE

	Year ended 31 March 2020	Year ended 31 March 2019
Salaries, wages and bonus	4,824.63	4,029.69
Share based payment expense (Refer Note 32)	21.78	3.05
Contribution to provident and other funds (Refer Note 31)	290.32	235.70
Staff welfare expenses	207.47	137.56
Total employee benefits expense	5,344.20	4,406.00

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

27 FINANCE COSTS

	Year ended 31 March 2020	Year ended 31 March 2019
Interest expense on financial liabilities measured at amortised cost:		
- on loan and others	301.86	342.24
- unwinding of discount on financial liabilities/provision	326.83	271.88
- on lease liabilities	9.02	-
Other borrowing costs	33.56	41.04
Total finance costs	671.27	655.16

28 DEPRECIATION AND AMORTISATION EXPENSE

	Year ended 31 March 2020	Year ended 31 March 2019
Depreciation on property, plant and equipment	172.73	169.68
Depreciation on right-of-use assets	81.62	-
Depreciation on investment properties	5.56	5.53
Amortisation on Intangible asset	184.95	126.10
Total depreciation and amortisation expense	444.86	301.31

29 OTHER EXPENSES

	Year ended 31 March 2020	Year ended 31 March 2019
Power and fuel	98.75	94.06
Rent (Refer Note 4)	334.79	334.44
Repairs - Buildings	31.89	18.62
- Machinery	-	1.51
- Others	23.84	17.40
Royalties	6,127.95	5,597.70
Recording expenses	20.26	30.87
Carriage, freight and forwarding charges	1,457.00	1,774.45
Rates and taxes	136.20	666.11
Insurance	97.45	57.30
Travel and conveyance	650.74	547.79
Advertisement and sales promotion	9,416.63	9,992.09
Printing and communication expenses	303.36	310.75
Bad debts/advances written off	0.88	22.39
Allowance for expected credit loss / provision for doubtful advances (net of reversal) [include provision for subsidiary companies refer note 36]	442.48	1,294.56
Loss on disposal of property, plant and equipment	1.81	0.21
Legal and consultancy expenses	2,012.56	1,212.47
Corporate social responsibility expenses (Refer Note 29.1)	113.16	70.22
Payment to auditors (Refer Note 39)	68.83	59.61
Miscellaneous expense	1,057.07	854.72
Total other expense	22,395.65	22,957.27

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

29.1 CORPORATE SOCIAL RESPONSIBILITY EXPENSES

	Year ended 31 March 2020	Year ended 31 March 2019
(a) Gross Amount required to be spent by the Company during the year	113.16	70.22
(b) Amount paid to RP-Sanjiv Goenka Group CSR Trust towards purposes other than construction/acquisition of assets	113.16	70.22
(c) There is no provision outstanding as at 31 March 2020 and 31 March 2019.		

30 TAX EXPENSES

A. Tax expense recognised in the Statement of Profit and Loss

	Year ended 31 March 2020	Year ended 31 March 2019
Current tax		
Current tax on profits for the year	1,962.38	2,128.70
Tax related to prior period	45.95	-
Total current tax	2,008.33	2,128.70
Deferred tax		
Decrease in deferred tax assets	89.86	194.66
(Decrease)/ increase in deferred tax liabilities	(418.50)	710.14
Total deferred tax expense (credit)/charge	(328.64)	904.80
Total tax expense	1,679.69	3,033.50

B. Amount recognised in other comprehensive income

	Year ended 31 March 2020	Year ended 31 March 2019
The tax charge arising on income and expenses recognised in Other Comprehensive Income are as follows:		
Deferred tax		
On items that will not be reclassified to profit or loss		
Remeasurements of post-employment benefit obligations	23.59	(9.16)
Changes in fair value of equity instruments designated at FVOCI	687.12	28.10
Total	710.71	18.94

C. Reconciliation of tax expense

	Year ended 31 March 2020	Year ended 31 March 2019
Profit before tax	6,578.96	8,226.52
Income tax expense calculated @ **25.17%** (31 March 2019 - 29.12%)	1,655.92	2,395.56
Adjustments:		
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Items not deductible for tax purposes	141.01	537.53
Effect of income not taxable	(63.44)	(52.33)
Other items	8.71	2.03
Impact of change in statutory tax rate	(62.51)	150.71
Tax expense	1,679.69	3,033.50

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

The tax rate used in the above reconciliation for the year 2019-20 is the tax rate of 25.17% (22% + surcharge @ 10% and education cess @ 4%) as against tax rate of 29.12% (25% + surcharge @ 12% and education cess @ 4%) for the year 2018-19 payable on taxable profits under the Income Tax Act, 1961.

The Company elected to exercise the option permitted under Section ll5BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised Provision for Income tax for the year ended 31 March 2020 and re-measured its Deferred tax assets /liabilities basis the rate prescribed in the said section.

31 ASSETS AND LIABILITIES RELATING TO EMPLOYEE BENEFITS

(I) Post-employment defined benefit plans:

(A) Gratuity (funded)

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. As per the plan, the Saregama India Limited Employees Group Gratuity Fund (Gratuity Fund), administered and managed by the Trustees and funded primarily with Life Insurance Corporation of India (LICI) and ICICI Prudential Life Insurance Company Limited, make payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Trustees are responsible for the overall governance of the plan and to act in accordance with the provisions of the trust deed and rules in the best interests of the plan participants. Each year an Asset-Liability matching study is performed in which the consequences of the strategic investment policies are analysed in terms of risk and return profiles. Investment and contribution policies are integrated within this study. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation as set out in Note 1(r)(iii) in significant accounting policies, based upon which, the Company makes contributions to the Employees' Gratuity Funds.

The following table sets forth the particulars in respect of the Gratuity Plan (funded) of the Company:

	31 March 2020	31 March 2019
(a) Reconciliation of opening and closing balances of the present value of the defined benefit obligation:		
Present value of obligation at the beginning of the year	487.90	511.91
Current service cost	64.59	73.70
Interest cost	33.68	34.59
Remeasurements (gains) / losses		
Actuarial (gain)/ loss arising from changes in financial assumptions	27.88	3.83
Actuarial (gain)/ loss arising from changes in experience adjustments	60.33	1.60
Actuarial (gain)/ loss arising from changes in demographic adjustments	-	(36.39)
Benefits paid	(27.04)	(101.34)
Present value of obligation at the end of the year	647.34	487.90
(b) Reconciliation of the opening and closing balances of the fair value of plan assets:		
Fair value of plan assets at the beginning of the year	459.45	485.06
Interest Income	33.36	34.12
Remeasurements gains / (losses)		
Return on plan assets (excluding amount included in net interest cost)	(5.52)	0.49
Contributions by employer	30.00	30.00
Benefits paid	(9.16)	(90.22)
Fair value of plan assets at the end of the year	508.13	459.45

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

		31 March 2020	31 March 2019
(c)	**Reconciliation of the present value of the defined benefit obligation and the fair value of plan assets:**		
	Present value of obligation at the end of the year	647.34	487.90
	Fair value of plan assets at the end of the year	508.13	459.45
	Liabilities recognised in the balance sheet	139.21	28.45
(d)	**Actual return on plan assets**	27.84	34.61
(e)	**Re-measurements losses/(gains) recognised in the Other Comprehensive Income**		
	Return on plan assets (excluding amount included in net interest cost)	5.52	(0.49)
	Effect of changes in financial assumptions	27.88	3.83
	Effect of changes in experience adjustments	60.33	1.60
	Effect of changes in demographic adjustments	-	(36.39)
	Total re-measurement losses/(gains) included in Other Comprehensive Income	93.73	(31.45)
(f)	**Expense recognised in Statement of Profit or Loss:**		
	Current service cost	64.59	73.70
	Net interest cost	0.32	0.47
	Total expense recognised in Statement of Profit and Loss	64.91	74.17
(g)	**Category of plan assets:**	In %	In %
	(a) Fund with Life Insurance Corporation of India	63%	61%
	(b) NAV based Group Balanced Fund with ICICI Prudential Life Insurance Company Limited	18%	20%
	(c) NAV based Group Short Term Debt Fund with ICICI Prudential Life Insurance Company Limited	9%	9%
	(d) NAV based Group Debt Fund with ICICI Prudential Life Insurance Company Limited	10%	10%
		100%	100%
(h)	**Maturity profile of defined benefit obligation:**		
	Within 1 year	289.27	218.58
	1-2 year	29.47	20.34
	2-5 years	128.68	75.11
	Over 5 years	424.10	314.91
(i)	**Principal actuarial assumptions:**		
	Discount rate	6.30%	7.10%
	Salary growth rate	10.00%	10.00%

Assumptions regarding future mortality experience are based on mortality tables of 'Indian Assured Lives Mortality (2006-2008)' published by the Institute of Actuaries of India.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

The estimate of future salary increases takes into account inflation, seniority, promotion and other relevant factors, such as demand and supply in the employment market.

(j) **Sensitivity analysis**

	Change in Assumption	Impact on defined benefit obligation (2019-20)	Impact on defined benefit obligation (2018-19)
Discount rate	Increase by 1%	**Decrease by Rs.34.35 Lakhs**	Decrease by Rs.25.86 Lakhs
	Decrease by 1%	**Increase by Rs.39.91 Lakhs**	Increase by Rs.30.04 Lakhs
Salary growth rate	Increase by 1%	**Increase by Rs.38.14 Lakhs**	Increase by Rs.28.93 Lakhs
	Decrease by 1%	**Decrease by Rs.33.59 Lakhs**	Decrease by Rs.25.45 Lakhs

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied when calculating the defined benefit obligation recognised in the Balance Sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(k) The Company expects to contribute **Rs.92 Lakhs** (previous year - Rs.65 Lakhs) to the funded gratuity plans during the next financial year.

(l) The weighted average duration of the defined benefit obligation as at 31 March 2020 is **6 years** (31 March 2019 – 6 years).

(II) Post-employment defined contribution plans

(A) Superannuation fund

Certain categories of employees of the Company participate in superannuation, a defined contribution plan administered by the Trust set up by the Company. The Company makes yearly contributions based on a specified percentage of each covered employee's salary. The Company has no further obligations under the plan beyond its annual contributions.

During the year, an amount of **Rs.14.77 Lakhs** (previous year- Rs.13.22 Lakhs) has been recognised as expenditure towards above defined contribution plan of the Company.

(B) Provident fund

All categories of employees of the Company receive benefits from a provident fund, a defined contribution plan. Both the employee and employer make monthly contributions to a government administered fund at specified percentage of the covered employee's qualifying salary. The Company has no further obligations under the plan beyond its monthly contributions.

During the year, an amount of **Rs.196.07 Lakhs** (previous year- Rs.143.02 Lakhs) has been recognised as expenditure towards above defined contribution plan of the Company.

(III) Leave obligations

The Company provides for accumulation of leave by certain categories of its employees. These employees can carry forward a portion of the unutilised leave balances and utilise it in future periods or receive cash (only in case of earned leave) in lieu thereof as per the Company's policy. The Company records a provision for leave obligations in the period in which the employee renders the services that increases this entitlement.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

The total provision recorded by the Company towards this obligation was **Rs. 364.17 Lakhs** and Rs.298.53 Lakhs as at 31 March 2020 and 31 March 2019 respectively. The amount of the provision is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

	31 March 2020	31 March 2019
Leave provision not expected to be settled within the next 12 months (Refer Note 15)	**288.09**	245.55

(IV) Risk exposure

Through its defined benefit plans, the Company is exposed to some risks, the most significant of which are detailed below:

Discount rate risk

The Company is exposed to the risk of fall in discount rate. A fall in discount rate will eventually inrease the ultimate cost of providing the above benefit thereby increasing the value of the liability.

Salary growth risks

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

Demographic risk

In the valuation of the liability, certain demographic (mortality and attrition rates) assumptions are made. The Company is exposed to this risk to the extent of actual experience eventually being worse compared to the assumptions thereby causing an increase in the benefit cost.

32 SHARE BASED PAYMENTS

(a) Employee stock option scheme

The establishment of the Employee Stock Option Scheme 2013 (Scheme) was approved by the shareholders at the Annual General Meeting held on 26 July 2013. The Scheme is designed to provide incentives to eligible employees to deliver long term returns. Under the Scheme each Option entitles the holder thereof to apply for and be allotted one equity shares of the Company of Rs.10 each upon payment of the exercise price during the exercise period.

The exercise period commences from the date of vesting of the Options and expires at the end of 10 years from the date of vesting. The Options have been granted at the 'market price' as defined under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

Performance linked vesting schedule of the said options is as follows :-

- After 1 year from the date of grant : 20 % of the options granted
- After 2 years from the date of grant : 20 % of the options granted
- After 3 years from the date of grant : 20 % of the options granted
- After 4 years from the date of grant : 20 % of the options granted
- After 5 years from the date of grant : 20 % of the options granted

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

Information in respect of Options granted under the Scheme :

Pursuant to approved Scheme, the Compensation Committee / Nomination and Remuneration Committee of the Board of Directors has granted shares / options during 2013-14, 2016-17 and 2019-20 to certain eligible employees and outstanding as on 31 March 2020 at the following exercise price, being prevailing market price as on date of joining / revision of salary of respective employee :

Name of eligible employees	As at 31 March 2020		As at 31 March 2019	
	No. of options/ shares	Exercise price per share (Rs.)	No. of options/ shares	Exercise price per share (Rs.)
Mr. Vikram Mehra, Managing Director*	2,00,000	170.65	-	-
Mr. G. B. Aayeer, Chief Financial Officer and Director (upto 28 May 2018)	-	-	9,529	69.85
Mr. Kumar Ajit, Vice President - Sales and marketing	4,000	243.70	10,000	243.70

Exercise of options by the option holders shall entail issuance of equity shares by the Company on compliance / completion of related formalities on the basis of 1:1.

During the year 2018-19, 471 options out of 10,000 options granted to Mr.G.B.Aayeer with exercise price of Rs.69.85 per share was lasped on his retirement.

The Nomination and Remuneration Committee of the Board of Directors in its meeting held on 8 May 2019, has recommended amendments to the clauses in the ESOS 2013 to effect implementation of the said scheme through Saregama Welfare Trust and the same has been approved by the shareholders in the Annual General Meeting held on 19 July 2019. Basis the above modification, ESOS 2013 is being implemented through a trust viz. Saregama Welfare Trust ("Trust") in accordance with the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI SBEB Regulations"). This involves secondary market acquisition of the Company's equity shares by the Trust.

*The Nomination and Remuneration Committee in its meeting held on 17 Januray 2020 cancelled 2,00,000 Stock Appreciation rights issued to Mr. Vikram Mehra, Managing Director, on 27 October 2014 already vested under the Saregama Stock Appreciation Rights Scheme 2014.

In accordance with the aforesaid shareholders approval w.r.t. modification of employee share benefit schemes, the Nomination and Remuneration Committee has granted 2,00,000 options to Mr. Vikram Mehra, Managing Director under the Saregama Employee Stock Option Scheme 2013 at an exercise price of Rs.170.65, being in line with the requirements of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

The aforesaid Options would vest after 1 year from the date of grant and the exercise period is 10 years from the date of vesting of earlier issued Stock Appreciation Rights i.e. 27 October 2016.

Measurement of fair value

The fair value of Employee Stock Options as on the date of grant was determined using the Black Scholes Model which takes into account the share price at the measurement date, expected price volatility of the underlying share, the expected dividend yield and risk free interest rate and carrying amount of liability included in employee benefit obligations.

The fair value of the options and the inputs used in the measurement of fair value as on the grant date are as follows:

	Vikram Mehra	Kumar Ajit
Grant date	17-Jan-20	09-Sep-16
Fair value at grant date (Rs.)	304.40	141.90
Share price at grant date (Rs.)	435.00	243.70
Exercise price (Rs.)	170.65	243.70
Expected volatilty	48.50%	55.96%
Expected Life (expected weighted average life)	3.9 Years	8 Years
Expected dividend	0.54%	1.34%
Risk free interest rate (based on Government bonds)	6.40%	7.00%

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

Expected volatility has been based on the evaluation of the historical volatility of the Company's share price, particularly over the historical period commensurate with the expected term. The Expected term of the instruments has been based on the historical experience and general option holder behaviour.

Reconciliation of outstanding share options

	31 March 2020	31 March 2019
Number of Options Outstanding at the beginning of the year	19,529	30,000
Number of Options granted during the year	2,00,000	-
Number of Options forfeited/lapsed during the year	9	10,471
Number of Options vested during the year	2,000	5,940
Number of Options exercised during the year	15,520	-
Number of Shares arising as a result of exercise of options	15,520	-
Number of Options outstanding at the end of the year	2,04,000	19,529
Number of Options exercisable at the end of the year	-	13,529

The weighted average share price of shares arising upon exercise of Options for the year ended 31 March 2020 based on the closing market price on NSE was Rs.476.19. No options has been exercised during the year ended 31 March 2019

(b) Stock appreciation rights

The Nomination and Remuneration Committee of the Board of Directors has granted Stock Appreciation Rights ("SAR") to certain eligible employees pursuant to the Company's Stock Appreciation Rights Scheme 2014 and Stock Appreciation Rights Scheme 2018 (together referred to as "Schemes"). The grant price is determined as defined in the Scheme. The Schemes have different performance linked vesting schedules. The exercise period commences from the date of vesting of the Options and expires at the end of 10 years from the date of vesting. Under the Scheme, the specified eligible employees are entitled to receive cash payment, being the difference in the share price between the date of grant and the date of exercise subject to certain conditions. The Schemes are administered by Nomination and Remuneration Committee.

Details of SAR Schemes	SAR Scheme'2014	SAR Scheme'2018
Grant Date	27 October 2014	31 July 2018
Grant Price (Rs.)	170.65	416.20
Vesting Schedule	66% after 1 year from grant date 34% after 2 years from grant date	40% after 1 year from grant date 20% after 2 years from grant date 20% after 3 years from grant date 20% after 4 years from grant date

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

	As at 31 March		As at 31 March	
	2020	2019	2020	2019
Number of SAR outstanding at the beginning of the year	2,00,000	2,00,000	1,00,000	-
Add : Granted during the year	-	-	-	1,00,000
Less : Forfeited / lapsed during the year	2,00,000	-	-	-
Less : Exercised during the year	-	-	-	-
Number of SAR outstanding at the end of the year	-	2,00,000	1,00,000	1,00,000
Fair value of SAR at the end of the year (Rs.)	-	456.10	66.78	390.54
Carrying amount of liability - included in employee benefits payable (Rs.in Lakhs) (Refer Note 17.3)	-	912.20	48.07	156.73

The fair value of SAR was determined using the Black Scholes Model using the following inputs at the grant date and at each reporting dates:

	SAR Scheme'2014		SAR Scheme'2018	
	As at 31 March		As at 31 March	
	2020	2019	2020	2019
Share price at measurement date (Rs. per share)	*	589.80	195.30	589.80
Exercise price (Rs. per share)	*	170.65	416.20	416.20
Expected time (in years)	*	3.80	5.66	6.50
Expected volatility (%)	*	54.80%	52.96%	53.88%
Dividend yield (%)	*	0.55%	0.54%	0.55%
Risk-free interest rate (%)	*	6.85%	6.00%	7.24%

(c) Expense arising from share based payment transactions

Total expenses arising from share-based payment transactions recognised in Statement of Profit and Loss as part of employee benefit expense are as follows:

	Year ended 31 March 2020	Year ended 31 March 2019
Employee stock option scheme	21.78	3.05
Share appreciation rights	(510.05)	31.93

During the year, the Company has cancelled the existing SAR Scheme 2014 and have issued equivalent options under the Employee Stock Option Scheme 2013 to SAR holder. The said modification has resulted in change of classification from cash-settled to equity-settled and, at the same time, change the value of the award. Accordingly, Company has recognised the change in the value of the liability on account of modification in the plan in the statement of profit or loss. Further, as the classification changes from cash-settled to equity settled, the Company immediately reclassified the amount of Rs.510.81 Lakhs lying as provision for Stock Appreciation Rights up to the modification date i.e 17 January 2020 to equity i.e Share Options Outstanding Account. The expense for the remainder vesting period is based on the award's fair value, measured at the modification date and not at the original grant date. The unamortised fair value of the award of Rs. 97.96 Lakhs as on the date of modification is recognised in the statement of profit and loss over the vesting period of one year from the date of gant with corresponding credit to equity.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

33 FAIR VALUE MEASUREMENTS

(i) Financial instruments by category

	Notes	As at 31 March 2020 Carrying Amount / Fair Value	As at 31 March 2019 Carrying Amount / Fair Value
A. Financial assets			
(a) Measured at fair value through OCI			
Investments			
Equity instruments	8.1	6,185.58	12,123.59
Sub total		6,185.58	12,123.59
(b) Measured at amortised cost			
Trade receivables	11.1	11,030.21	11,295.88
Cash and cash equivalents	11.2	329.70	144.74
Other bank balances	11.3	194.61	178.58
Loans and deposits	8.2,11.4	570.08	585.67
Other financial assets	8.3,11.5	7.57	9.70
Sub total		12,132.17	12,214.57
Total financial assets		18,317.75	24,338.16
B. Financial liabilities			
Measured at amortised cost			
Borrowings	17.1	633.22	6,080.98
Trade payables	17.2	5,219.69	5,255.15
Lease liabilities	4	47.03	-
Other financial liabilities	17.3	2,210.19	4,113.16
Total financial liabilities		8,110.13	15,449.29

(ii) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are

(a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows below.

Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: Inputs other than quoted price included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

The fair value of financial instruments that are not traded in an active market is determined using market approach and valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

If one or more of the significant inputs is not based on observable market data, the fair value is determined using generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparty.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

The fair value of trade receivables, cash and cash equivalents, other bank balances, loans and deposits, trade payables, borrowings, lease liabilities and other financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short-term nature. The fair values of unquoted equity instruments were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterpaty credit risk.

There has been no change in the valuation methodology for Level 3 inputs during the year. The Company has classified certain financial instruments under Level 3 of the fair value hierarchy. There were no transfers between Level 1 and Level 2 during the year ended 31 March 2020 and 31 March 2019.

	Fair Value Hierarchy Level	As at 31 March 2020	As at 31 March 2019
Financial assets			
Measured at fair value through OCI			
Investments			
Equity instruments (quoted)	1	6,007.04	11,984.06
Equity instruments (un-quoted)	3	178.54	139.53
		6,185.58	12,123.59

(ii) Fair value hierarchy (continued)

Since, some of the Company's financial assets as mentioned in above table are carried at fair value for which Level 3 inputs have been used. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

	Valuation Technique	Significant unobservable inputs	Sensitivity	
			31 March 2020	31 March 2019
Unquoted Equity Instruments	Discounted cash flow	Earning growth rate/ Discounting rate	Increase in earning growth rate by 1% and lower discount rate by 1% would increase fair value by Rs.46.17 Lakhs.	Increase in earning growth rate by 1% and lower discount rate by 1% would increase fair value by Rs.41.10 Lakhs.
			Decrease in earning growth rate by 1% and higher discount rate by 1% would decrease fair value by Rs. 40.60 Lakhs.	Decrease in earning growth rate by 1% and higher discount rate by 1% would decrease fair value by Rs.36.53 Lakhs.

Level 3 fair values - Movement in the values of unqouted equity instruments

The following table shows a reconciliation from the opening balance to the closing balance for Level 3 fair values:

Particulars	FVOCI Equity Instruments
Balance at 1 April 2018	164.55
Gain / (loss) included on OCI	
- Net change in fair value (unrealised)	(25.02)
Balance at 31 March 2019	139.53
Balance at 1 April 2019	139.53
Gain / (loss) included on OCI	
- Net change in fair value (unrealised)	39.01
Balance at 31 March 2020	178.54

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

34 FINANCIAL RISK MANAGEMENT

The Company has a system-based approach to risk management, anchored to policies and procedures and internal financial controls aimed at ensuring early identification, evaluation and management of key financial risks (such as market risk, credit risk and liquidity risk) that may arise as a consequence of its business operations as well as its investing and financing activities.

Accordingly, the Company's risk management framework has the objective of ensuring that such risks are managed within acceptable and approved risk parameters in a disciplined and consistent manner and in compliance with applicable regulation. It also seeks to drive accountability in this regard.

This Note explains the sources of risk which the entity is exposed to and how the entity manages the risk. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

(A) Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The Company is exposed to credit risk from its operating activities (primarily Trade Receivables) and from its investing activities (primarily Deposits with Banks).

Trade receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers. Customer credit risk is managed by respective segment subject to the Company's policy and procedures which involve credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. The Company's customer base is large and diverse limiting the risk arising out of credit concentration. Further, credit is extended in business interest in accordance with business-specific credit policies. The Company's exposure to trade receivables on the reporting date, net of expected loss provisions, stood at **Rs.11,030.21 Lakhs** as on 31 March 2020 (31 March 2019 - Rs.11,295.88 Lakhs).

All overdue customer balances are evaluated taking into account the age of the dues, specific credit circumstances, the track record of the counterparty etc. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss.

The movement of the expected loss provision (allowance for bad and doubtful receivables) made by the Company are as under:

Particulars	Expected loss provision	
	As at 31 March 2020	As at 31 March 2019
Opening balance	944.05	1,410.16
Add: Provision made during the year (net)	111.21	135.86
Less: Utilisation for impairment/de-recognition/reversal of provision	-	(601.97)
Closing balance	1,055.26	944.05

Other financial assets

Credit risk from balances with banks, term deposits and investments is managed by Company's finance department. Investments in fixed deposits are held with highly rated banks. Investments of surplus are made within assigned credit limits with approved counterparties who meet the threshold requirements with respect to ratings, financial strength, credit spreads etc. Counterparty credit limits are set to minimize concentration risk and are reviewed periodically by the Board of Directors.

The Company's maximum exposure to credit risk for the components of the Balance Sheet as of 31 March 2020 and 31 March 2019 is the carrying amounts as disclosed in Note 8.1, 8.2, 8.3, 11.3 , 11.4 and 11.5.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

(B) Liquidity risk

Liquidity risk refers to the risk that the Company fails to honour its financial obligations in accordance with terms of contract. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions.

Management monitors rolling forecasts of the company's liquidity position (including the undrawn credit facilities extended by banks and financial institutions) and cash and cash equivalents on the basis of expected cash flows. In addition, the Company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

The following table shows a maturity analysis of the anticipated cash flows including interest obligations for the Company's non-derivative financial liabilities on an undiscounted basis (all payable within 12 months), which therefore does not differ significantly from their carrying value as the impact of discounting is not significant.

Non-derivative financial liabilities	As at 31 March 2020	As at 31 March 2019
(i) Borrowings including interest obligation (Refer Note 17.1)	633.22	6,080.98
(ii) Trade payables (Refer Note 17.2)	5,219.69	5,255.15
(iii) Lease liabilities (Refer Note 4)	47.03	-
(iv) Other financial liabilities (Refer note 17.3)	2,210.19	4,113.16
	8,110.13	15,449.29

The Company does not have derivative financial liabilities as at the end of above mentioned reporting periods.

(C) Market risk

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company transacts business in local currency and in foreign currencies (primarily US Dollars and GBP). The Company has foreign currency trade receivables, trade payables and advances and is therefore exposed to foreign currency risk. The risk is measured through a forecast of highly probable foreign currency cash flows.

The Company's risk management policy is hedging of net foreign currency exposure at all points in time through foreign exchange forward contracts. The objective of the hedging is to eliminate the currency risk due to volatility in exchange rates.

(a) Foreign currency risk exposure:

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

	As at 31 March 2020		As at 31 March 2019	
	Financial Assets	Financial Liabilities	Financial Assets	Financial Liabilities
USD	757.95	6.60	534.48	114.65
GBP	756.78	-	947.09	-
Others	119.38	-	221.62	-
Total	1,634.11	6.60	1,703.19	114.65

Net Exposure to Foreign Currency Risk (Assets - Liabilities)

	As at 31 March 2020	As at 31 March 2019
USD	751.35	419.83
GBP	756.78	947.09
Others	119.38	221.62
Total	1,627.51	1,588.54

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

(b) Sensitivity

The sensitivity of profit or loss due to changes in the foreign exchange rates arises mainly from foreign currency denominated financial instruments. 10 % appreciation / depreciation of the respective foreign currencies with respect to functional currency (holding all other variables constant) of the Company would result in increase / decrease in the Company's profit before tax as computed below:

	Impact on profit before tax	
	Year ended 31 March 2020	Year ended 31 March 2019
USD sensitivity		
INR/USD -Increase by 10%	75.14	41.98
INR/USD -Decrease by 10%	(75.14)	(41.98)
GBP sensitivity		
INR/GBP-Increase by 10%	75.68	94.71
INR/GBP-Decrease by 10%	(75.68)	(94.71)
Other currencies sensitivity		
INR/Others-Increase by 10%	11.94	22.16
INR/Others-Decrease by 10%	(11.94)	(22.16)

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to risk of changes in market interest rates relates primarily to the Company's debt interest obligation. Further the Company engages in financing activities at market linked rates, any changes in the interest rate environment may impact future rates of borrowings.

The exposure of the Company's financial assets and financial liabilities to interest rate risk is as follows:

	31 March 2020		31 March 2019	
	Floating Rate	Fixed Rate	Floating Rate	Fixed Rate
Financial assets	-	281.48	-	162.36
Financial liabilities	633.22	-	3,580.98	2,500.00
	633.22	281.48	3,580.98	2,662.36

Increase/ decrease of 50 basis points (holding all other variables constant) in interest rates at the balance sheet date would result in increase/decrease of **Rs.3.17 Lakhs** (31 March 2019 - Rs.17.90 Lakhs) in interest expense on financial liabilities with floating interest rate and corresponding impact on profit before tax for the year ended 31 March 2020.

The Company invests its surplus funds in fixed deposits. Fixed deposits are held with highly rated banks and have a short tenure and are not subject to interest rate volatility.

(iii) Securities price risk

Securities price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded prices. The Company is not an active investor in equity markets; it continues to hold certain investments in equity for long term value accretion which are accordingly measured at fair value through Other Comprehensive Income. The value of investments in such equity instruments (including quoted and unquoted) as at 31 March 2020 is **Rs.6,185.58 Lakhs** (31 March 2019 - Rs.12,123.59 Lakhs). Accordingly, fair value fluctuations arising from market volatility is recognised in Other Comprehensive Income.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

35 CAPITAL MANAGEMENT

(a) **Risk management**

The Company's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital on the basis of net debt to equity ratio and maturity profile of overall debt portfolio of the Company.

Net debt implies total borrowings of the Company as reduced by Cash and Cash Equivalent and Equity comprises all components attributable to the owners of the Company.

The following table summarises the capital of the Company:

	As at 31 March 2020	As at 31 March 2019
Total borrowings (Refer Note 17.1)	633.22	6,080.98
Less: Cash and cash equivalents (Refer Note 11.2)	(329.70)	(144.74)
Net Debt	303.52	5,936.24
Equity (Refer Note 14.1 and 14.2)	41,378.51	42,613.72
Net Debt to Equity Ratio	0.01	0.14

Under the terms of the borrowing facilities, the Company has complied with the financial covenants as imposed by the bank and financial institutions.

No changes were made to the objectives, policies or processes for managing capital during the years ended **31 March 2020** and 31 March 2019.

(b) **Dividend on equity shares**

	Year ended 31 March 2020	Year ended 31 March 2019
Dividend declared and paid during the year		
Final dividend for the year ended 31 March 2019 of Rs.3.00 (31 March 2018 - Rs.3.00) per fully paid share	522.60	522.31
Dividend distribution tax on above	107.42	107.36
	630.02	629.67
Proposed dividend not recognised at the end of the reporting period		
Since year end the directors have recommended the payment of a final dividend of **Rs.1.50** per fully paid share (31 March 2019 – Rs.3.00). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting. Hence, no liability has been recognised in books.	261.39	522.31
Dividend distribution tax on above	-	107.36
	261.39	629.67

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

36 RELATED PARTY DISCLOSURES

Where control exists

a) Parent entity

The Company is controlled by the following entity w.e.f. 29 March 2017

Name	Type	Place of incorporation	Ownership interest	
			As at 31 March 2020	As at 31 March 2019
Composure Services Private Limited (CSPL)	Holding Company	India	59.06%	59.11%

b) Subsidiaries

The Company has following subsidiaries and step down subsidiary companies:-

Name	Type	Place of incorporation	As at 31 March 2020	As at 31 March 2019
Saregama Limited (formerly known as Saregama Plc.) (SL)	Subsidiary Company	United Kingdom	76.41%	76.41%
RPG Global Music Limited (RPGG)	Wholly Owned Subsidiary Company	Mauritius	100.00%	100.00%
Kolkata Metro Networks Limited (KMNL)	Wholly Owned Subsidiary Company	India	100.00%	100.00%
Open Media Network Private Limited (OMNPL)	Wholly Owned Subsidiary Company	India	100.00%	100.00%
Saregama FZE (SFZE)	Wholly Owned Subsidiary Company	UAE	100.00%	100.00%
Saregama Inc	Wholly Owned Subsidiary Company of SL	USA	76.41%	76.41%

c) Joint venture

Saregama Regency Optimedia Private Limited (SROPL) (under liquidation effective 19 September 2016)

d) Key management personnel (KMP) of the Company and Holding Company

Name	Relationship
Mr. Sanjiv Goenka	Chairman and Non-Executive Director
Mr. Vikram Mehra	Managing Director
Mr. G.B.Aayeer	Whole-time Director and CFO upto 28 May 2018
Mrs. Preeti Goenka	Non-Executive Director
Mrs. Sushila Goenka	Non-Executive Director, deceased on 15 July 2018
Mrs. Avarna Jain	Non-Executive Director w.e.f. 29 May 2018
Mr. Umang Kanoria	Non-Executive Independent Director
Mr. Bhaskar Raychaudhuri	Non-Executive Independent Director, deceased on 20 November 2018
Mr. Santanu Bhattacharya	Non-Executive Independent Director
Mr. Arindam Sarkar	Non-Executive Independent Director
Mr. Noshir Naval Framjee	Non-Executive Independent Director
Mr. Vineet Garg	Chief Financial Officer w.e.f. 29 May 2018
Mrs. Kamana Khetan	Company Secretary
Mr. Rajendra Dey	Director of Holding Company
Mr. Akhilanand Joshi	Director of Holding Company

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

Other Related Parties with whom the Company had transactions

Name	Relationship
Accurate Commodeal Private Limited (ACPL)	Entity controlled by KMP of the Company w.e.f. 25 March 2020
Saregama India Limited Employees Group Gratuity Fund (Gratuity Fund)	Post Employment Benefit Plan of the Company
Saregama India Limited Superannuation Fund (Superannuation Fund)	Post Employment Benefit Plan of the Company
Saregama Welfare Trust	Share Based Benefits Scheme of the Company w.e.f. 8 May 2019

Transactions with related parties

Sl. No.	Particulars	Year ended 31 March 2020	Year ended 31 March 2019
A	**Holding company- (CSPL)**		
	Dividend paid	308.75	308.75
B	**Subsidiary company**		
	SL		
	Licence fees - income	817.95	922.01
	Provision for doubtful debts written back	65.60	9.12
	OMNPL		
	Sale of goods	-	1.31
	Interest income	105.55	508.68
	Loans given	211.00	1,720.45
	Provision recognised against loan given and interest receivable	306.00	1,720.45
	Provision for doubtful debts written back	-	1.54
	Advertisment expenses	1,011.02	-
	Consultancy charges	108.00	-
	Loans converted into Investment (Refer Note 44(b))	6,975.14	-
	Provision for diminution in the value of investments	6,975.14	-
	KMNL		
	Interest income	1.05	3.89
	Reimbursement of expenses	66.29	121.09
	Loans given	19.56	4.23
	Loans refunded	19.18	46.80
	Saregama Inc		
	Licence fees-income	166.62	144.67
	Provision for doubtful debts made	106.59	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

Sl. No.	Particulars	Year ended 31 March 2020	Year ended 31 March 2019
	SFZE		
	Investement in equity shares	290.43	20.19
	Loans given	-	121.78
	Licence fees - income	21.49	7.84
	Interest income	11.59	4.28
	Loans refunded	21.14	-
C	**Entity jointly controlled by KMP of the Company**		
	ACPL		
	Royalty expense for brand usage	118.75	-
	Re-imbursement of expenses received	68.75	-
D	**Remuneration to Key management personnel**		
	Mr.Vikram Mehra	593.14	522.93
	Mr.G.B.Aayeer	-	23.86
	Mr.Vineet Garg	163.95	122.10
	Mrs.Kamana Khetan	14.42	9.98
E	**Sitting fees**		
	Mr.Sanjiv Goenka	1.20	1.15
	Mrs.Preeti Goenka	0.80	0.80
	Mrs.Sushila Goenka	-	0.40
	Mrs.Avarna Jain	0.80	0.60
	Mr.Umang Kanoria	0.50	1.30
	Mr.Bhaskar Raychaudhuri	-	1.30
	Mr.Santanu Bhattacharya	1.75	1.30
	Mr.Arindam Sarkar	0.80	0.85
	Mr.Noshir Naval Framjee	1.75	1.25
F	**Payment to Director**		
	Rent paid to Mrs.Preeti Goenka	-	0.45
G	**Post employment benefit plan of the Company**		
	Contribution towards Saregama India Limited Employees Group Gratuity Fund	30.00	30.00
	Contribution towards Saregama India Limited Superannuation Fund	14.77	13.22
H	**Other Related Party**		
	Loans given to Saregama Welfare Trust for purchase of treasury shares	767.95	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

Key management personnel compensation *

	Year ended 31 March 2020	Year ended 31 March 2019
Short-term employee benefits	731.96	649.58
Post employment benefits	29.61	21.33
Other long-term benefits	9.94	7.96

* The above compensation does not include share based reversal of Rs.479.11 Lakhs for the year ended 31 March 2020 (charge of Rs.16.31 Lakhs for the year ended 31 March 2019)

Balances outstanding at the year end

		As at 31 March 2020	As at 31 March 2019
A	Subsidiary company		
1)	Non-current investments @		
	SL	-	8.82
	RPGG	-	-
	KMNL	1,554.10	1,554.10
	OMNPL	6,975.14	-
	SFZE	310.62	20.19
2)	Loans @		
	KMNL	0.38	-
	OMNPL	-	6,669.15
	SFZE	102.80	112.44
3)	Interest accrued and due		
	KMNL	0.00	-
	SFZE	0.08	4.28
4)	Trade receivables @		
	SL	756.78	947.09
	Saregama Inc	335.19	144.67
	SFZE	6.22	7.84
5)	Provision for doubtful loans		
	OMNPL	-	6,669.15
6)	Provision for diminution in the value of investments		
	SL	-	8.82
	OMNPL	6,975.14	-
7)	Provision for doubtful debts		
	SL	22.17	87.77
	OMNPL	-	-
	SINC	106.59	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

		As at 31 March 2020	As at 31 March 2019
B	**Joint venture company**		
1)	Non-current investments @		
	SROPL	145.97	145.97
2)	Provision for diminution in the value of investments		
	SROPL	145.97	145.97
C	**Entity jointly controlled by KMP of the Company**		
	ACPL		
	Re-imbursement of expenses receivable	56.12	-
D	**Key management personnel**		
	Remuneration payable #		
	- Mr.Vikram Mehra	103.85	94.41
	- Mr.G.B.Aayeer	-	20.57
	- Mr.Vineet Garg	23.76	17.66
	- Mrs.Kamana Khetan	1.53	1.21
	# The above remuneration payable does not include share based amount of Rs.574.15 Lakhs as on 31 March 2020 (Rs.1,054.25 Lakhs as on 31 March 2019)		
E	**Other Related Party**		
	Saregama Welfare Trust		
	Loans	3.63	-
	@ Gross of provisions		

Terms and conditions of transactions with related parties :

- Sales to related parties are made in the ordinary course of business and on terms equivalent to those that prevail in arm's length transactions with other customers. Outstanding balances at the year-end are unsecured and will be settled in cash and cash equivalents.
- The loan given to related parties is made in the ordinary course of business and on terms at arm's length price. Outstanding balances at the year-end is unsecured and will be settled in cash and cash equivalents.

37 COMMITMENTS

Estimated amount of contract remaining to be executed on Capital account and not provided for [net of advances of **Rs.153.87 Lakhs** (31 March 2019 - Rs.70.00 Lakhs)]

as at 31 March 2020 are estimated at **Rs. 89.33 Lakhs** (31 March 2019- Rs.94.00 Lakhs).

38 CONTINGENT LIABILITIES IN RESPECT OF -

(i) Income Tax Matter

The Company has ongoing disputes with income tax authorities in India. The disputes relate to tax treatment of certain expenses claimed as deductions, computation or eligibility of allowances. The Company has contingent liability of **Rs.2,090.00 Lakhs** as at 31 March 2020 (31 March 2019 - Rs.1,986.02 Lakhs) in respect of tax demands which are being contested by the Company based on the management evaluation and advice of tax consultants.

(ii) Indirect Tax Matter

The Company has ongoing disputes with Indian tax authorities mainly relating to treatment of characterisation and classification of certain items. The Company have demands amounting to **Rs.513.09 Lakhs** as at 31 March 2020 (31 March 2019 - Rs.889.99 Lakhs) relating to Excise duty, Custom duty, Service tax, Sales tax/VAT and Other indirect taxes from respective indirect tax authorities which are being contested by the Company based on the management evaluation and advice of tax consultants.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

(iii) Copyright Matter

The Company has received legal notices of claims / lawsuits filed against it relating to infringement of copyrights in relation to the music used / other matters. Based on management evaluation and advice from legal solicitors, **Rs.39.03 Lakhs** as at 31 March 2020 (31 March 2019 - Rs.39.03 Lakhs) is considered as contingent on account of such claims / law suits.

(iv) There has been a Supreme Court Judgement dated 28 February 2019, relating to components of salary structure that need to be taken into account while computing the contribution to provident fund under the EPF act. There are interpretative aspects related to the judgement including the effective date of application. The Company will continue to assess any further developments in this matter for the implications on financial statements, if any.

(v) Other matters including claims related to property related demands **Rs.3,628.09 Lakhs** as at 31 March 2020 (31 March 2019 - Rs.3,017.79 Lakhs).

In respect of above, it is not practicable for the Company to estimate the timings of cash outflows, if any, pending resolution of the respective proceedings. The Company does not expect any reimbursements in respect of the above.

39 AMOUNT PAID / PAYABLE TO AUDITORS :

	Year ended 31 March 2020	Year ended 31 March 2019
As Auditors -		
- Audit fees for Standalone Financial Statements	26.75	25.00
- Audit fees for Consolidated Financial Statements	7.25	6.25
- Tax audit	6.50	6.00
- Limited reviews	18.00	11.25
- Others [certificates, etc.]	6.60	8.17
Reimbursement of expenses	3.73	2.94

40 BASIC AND DILUTED EARNINGS PER SHARE :

	Year ended 31 March 2020	Year ended 31 March 2019
Number of equity shares at the beginning of the year	1,74,10,492	1,74,10,492
Number of equity shares at the end of the year	1,74,26,012	1,74,10,492
Weighted average number of equity shares outstanding during the year (A)	1,74,21,054	1,74,10,492
Weighted average number of equity shares held in controlled trust (B)	50,285	-
Weighted average number of equity shares for computing basic earnings per share [C= (A-B)]	1,73,70,769	1,74,10,492
Weighted average number of potential equity shares on account of employee stock options (D)	26,385	14,121
Weighted average number of equity shares for computing diluted earnings per share [E= (C+D)]	1,73,97,154	1,74,24,613
Nominal value of each equity share (Rs.)	10	10
Profit after tax available for equity shareholders (Rs.in Lakhs) [F]	4,899.27	5,193.02
Basic earnings per share (Rs.) [F/C]	28.20	29.83
Diluted earnings per share (Rs.) [F/E]	28.16	29.80

41 Saregama Regency Optimedia Private Limited (SROPL), a joint venture of the Company had been directed to be wound up vide Order dated 19 September 2016 by the Hon'ble High Court at Calcutta and the Official Liquidator attached to this Court has forthwith taken into his custody all the property, effects, books of accounts, other documents and actionable claims. Accordingly, the financial statements of SROPL has been prepared up to the date preceding the date of Court Order.

In view of the above, information relating to the Company's interest in the Joint Venture has not been disclosed in the current year as well as in the previous year.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

42 The Company has following un-hedged exposures in foreign currencies

	As at 31 March 2020		As at 31 March 2019	
	Foreign currency in Lakhs	Amount in Rs. Lakhs	Foreign currency in Lakhs	Amount in Rs. Lakhs
Trade Receivables	GBP 8.13	756.78	GBP 10.47	947.09
Trade Receivables	USD 10.05	757.95	USD 7.73	534.48
Trade Receivables	-	-	SAR 0.04	0.75
Trade Receivables	-	-	LKR 246.28	97.23
Trade Receivables	MYR 0.03	0.53	MYR 0.06	0.93
Trade Receivables	-	-	QAR 0.21	3.99
Trade Receivables	AED 0.32	6.60	AED 0.17	3.16
Trade Receivables	SGD 0.01	0.45	SGD 0.01	0.59
Trade Receivables	-	-	OMR 0.01	2.53
Trade Receivables	NPR 14.29	9.00	-	-
Trade Payables	USD 0.14	6.60	USD 1.65	114.65
Loan & Advances	AED 5.00	102.80	AED 6.16	112.44

43 In terms of Indian Accounting Standard (Ind AS) 108 on 'Operating Segment' notified in the Act, segment information has been presented in the Consolidated Financial Statements, prepared pursuant to Indian Accounting Standard (Ind AS) 110 on 'Consolidated Financial Statements' and Indian Accounting Standard (Ind AS) 28 on 'Investments in Associates and Joint Ventures' notified in the Act, included in the Annual Report for the year.

44 **DETAILS OF LOANS AND INVESTMENTS COVERED UNDER SECTION 186(4) OF THE COMPANIES ACT, 2013 :**

44 (a) The Company has given loans [repayable on demand at the interest rate of **9.35% p.a.** (2019-19 - 9.25% p.a)] of **Rs.19.56 Lakhs** (2018-19 - Rs.4.23 Lakhs) during the year to its subsidiary, Kolkata Metro Networks Limited for financial assistance and its principal business activities.

44 (b) The Company has given loans [repayable on demand at the interest rate of **9.35% p.a.** (2018-19 - 9.25% p.a.)] of **Rs.211.00 Lakhs** (2018-19 Rs. 1,720.45 Lakhs) during the year to its subsidiary Open Media Network Private Limited ("OMNPL") for financial assistance and its principal business activities. However, the aforesaid loan along with interest thereon aggregating to Rs.306 Lakhs has been provided fully in the books of account for the current year.

During the financial year ended 31 March 2020, OMNPL has carried out a restructuring activity and loans and outstanding interest thereon from the Company aggregating Rs. 6,975.14 Lakhs as on 31 May 2019 (already provided for in the books), have been considered as contributions for Investments in equity shares of OMNPL. Based on the assessment of financial position of OMNPL, the entire investment have been fully provided for.

44 (c) The Company has further invested in equity of **Rs.290.43 Lakhs** (2018-19 Rs.20.19) and provided loans and advances [repayable on demand at the interest rate of **9.25% p.a.** of **Rs.Nil** (2018-19 Rs.121.78 Lakhs)] during the year to its subsidiary Saregama FZE for financial assistance and its principal business activities.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

45 On 2 April 2018, there was a fire in the godown (of third party service provider) damaging stocks of the Company. As per the best estimate of the management, the Company had recognised insurance claim receivable as "Other Income" and the corresponding loss of such stocks was charged off. The Company has subsequently realised Rs.3,218.72 Lakhs from the insurance company on 12 April 2019 against the said claim.

46 Previous years figures have been regrouped/reclassified to conform to current year's presentation.

The accompanying notes 1 to 46 are an integral part of these standalone financial statements
As per our report of even date attached

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

Jayanta Mukhopadhyay
Partner
Membership No.: 055757
UDIN: 20055757AAAABC5731

Place : Kolkata
Date : 05 June 2020

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

Sanjiv Goenka
Chairman
DIN: 00074796

Vikram Mehra
Managing Director
DIN: 03556680

Vineet Garg
Chief Financial Officer

Kamana Khetan
Company Secretary
ACS: 35161

Place : Kolkata
Date : 05 June 2020

Place : Kolkata
Date : 05 June 2020

STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH 2020

(Amount in Rupees lakhs, except otherwise stated)

	Year ended 31 March 2020		Year ended 31 March 2019	
A. Cash Flow from Operating Activities				
Profit before tax		6,578.96		8,226.52
Adjustments for:				
Depreciation and amortisation expense	444.86		301.31	
Allowance for expected credit loss	442.48		1,294.56	
Finance costs	671.27		655.16	
Liabilities/Provisions no longer required written back	(318.39)		(999.80)	
Provision for advances no longer required written back	-		(7.38)	
Interest income	(484.35)		(1,391.17)	
Share based payment expense	21.78		3.05	
Bad debts/advances written off	0.88		22.39	
Loss on disposal of property, plant and equipment	1.81		0.21	
Profit on sale of property, plant and equipment	-		(0.88)	
Profit on sale of Investment in Mutual Fund	(0.12)		(0.43)	
Dividend income from equity investments designated at FVOCI	(252.03)		(220.52)	
Net gain on unrealised foreign currency transactions/ translation	(86.12)		-	
		442.07		(343.50)
Operating profit before Working Capital Changes		7,021.03		7,883.02
Changes in working capital				
Decrease/(Increase) in Other current assets, Loans, Other non-current assets	1,918.70		(5,229.53)	
Increase in Other financial liabilities, Provisions, Other current liabilities	1,003.93		2,352.14	
Increase in Trade payables	33.76		1,391.15	
Increase in Employee benefit obligations	82.67		79.88	
Decrease/(Increase) in Trade receivables	239.70		(3,042.05)	
Decrease/(Increase) in Inventories	336.86		(4,519.52)	
		3,615.62		(8,967.93)
Cash generated from / (used in) operations				(1,084.91)
		10,636.65		
Income taxes paid (net of refund)		(2,180.63)		(1,219.35)
Net cash generated from / (used in) Operating Activities (A)		8,456.02		(2,304.26)
B. Cash Flow from Investing Activities				
Purchase of property, plant and equipment and intangible assets	(823.48)		(1,200.80)	
Sale of property, plant and equipment	-		0.80	
Interest received	144.02		816.13	
Investment in Equity shares of subsidiary	(290.43)		(20.19)	
Loan given to Subsidiary Companies	(300.41)		(1,790.32)	
Investment in Mutual funds	(150.00)		(200.00)	
Proceeds from sale of Investment in Mutual funds	150.12		200.43	
Fixed deposits placed with banks (with maturity more than 3 months)	(12.06)		-	
Dividend income from equity investments designated at FVOCI	252.03		220.52	
Net cash used in Investing Activities (B)		(1,030.21)		(1,973.43)

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

	Year ended 31 March 2020		Year ended 31 March 2019	
C. Cash Flow from Financing Activities				
(Repayment of) / Proceeds from Short term borrowings	(5,447.76)		4,789.24	
Proceds form issue of Share capital	1.55		-	
Share premium received on issue of shares	19.72		-	
Purchase of Investment by Saregama Welfare Trust (Treasury Shares)	(764.32)		-	
Dividend paid	(522.60)		(515.30)	
Dividend distribution tax paid	(107.42)		(107.36)	
Repayment of principal portion of lease liabilities	(78.91)		-	
Interest paid on leased liabilities	(9.02)		-	
Interest paid on others	(332.09)		(379.94)	
Net cash (used in) / generated from Financing Activities (C)		(7,240.85)		3,786.64
Net increase / (decrease) in cash and cash equivalents (A+B+C)		184.96		(491.05)
Cash and Cash Equivalents at the beginning of the year (Refer Note 11.2)		144.74		635.79
Cash and Cash Equivalents at the end of the year (Refer Note 11.2)		329.70		144.74

Notes:

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

2 Previous years figures have been regrouped/reclassified to conform to current year's presentation.

3 Reconciliation of liabilities from financing activities

	Balance as at 1 April 2019	Cash flows	Non-cash changes	Balance as at 31 March 2020
Borrowings	6,080.98	(5,447.76)	-	633.22
Total liabilities from financing activities	6,080.98	(5,447.76)	-	633.22

	Balance as at 1 April 2018	Cash flows	Non-cash changes	Balance as at 31 Mar 2019
Borrowings	1,291.74	4,789.24	-	6,080.98
Total liabilities from financing activities	1,291.74	4,789.24	-	6,080.98

The accompanying notes 1 to 46 are an integral part of these standalone financial statements
As per our report of even date attached

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

Jayanta Mukhopadhyay
Partner
Membership No.: 055757
UDIN: 20055757AAAABC5731

Place : Kolkata
Date : 05 June 2020

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

Sanjiv Goenka
Chairman
DIN: 00074796

Vikram Mehra
Managing Director
DIN: 03556680

Vineet Garg
Chief Financial Officer

Kamana Khetan
Company Secretary
ACS: 35161

Place : Kolkata
Date : 05 June 2020

Place : Kolkata
Date : 05 June 2020

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To the Members of Saregama India Limited

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Saregama India Limited (hereinafter referred to as the 'Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2020, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2020, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

Description of Key Audit Matter

Revenue Recognition

See note 20 to the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
The Group derives its revenues from the sale of contractually manufactured products; licensing of music rights and income from films and television serials including free commercial time. The recognition of revenue from licence fees has been considered to be critical since the Group has entered into multiple complex contracts with its customers. The revenue gets recognised based on the logs/ information as received from such customers. The complexity of these contractual terms also requires the Group to make judgments in assessing whether it has fulfilled its obligations under the contracts before recognizing the revenue.	Our audit procedures include the following: • We have evaluated the terms of significant contracts pertaining to revenue from licence fees to identify the performance obligations under these contracts; • We have considered the revenue recognition policies of the Group in respect of those contracts and assessing the consistent application of these policies in light of the requirements of relevant accounting standards; • We have tested the effectiveness of relevant controls over revenue from licence fees; and • We have selected sample transactions and performed substantive procedures with regard to revenue from licence fees by agreeing to third party information, logs received from the customers and other relevant information. We tested the transactions closer to the year end to check the recognition of revenue in the correct period. Our testing, as described above, showed that revenue has been recorded in accordance with the terms of underlying contracts and accounting policy.

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS *(contd.)*

Other Information

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

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

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

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

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS *(contd.)*

- Conclude on the appropriateness of Management and Board of Directors' use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in the section titled 'Other Matters' in this audit report.

  We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

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

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

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

Other Matters

We did not audit the financial statements of five subsidiaries, whose financial statements reflect total assets of Rs. 3,771.51 Lakhs as at 31 March 2020, total revenues of Rs. 4,327.56 Lakhs and net cash inflows amounting to Rs. 19.53 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management of the Holding Company and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the audit reports of the other auditors.

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

Our opinion on the consolidated 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.

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS *(contd.)*

Report on Other Legal and Regulatory Requirements

A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

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

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

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

   e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

B. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, as noted in the 'Other Matters' paragraph:

   i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2020 on the consolidated financial position of the Group. Refer Note 38 to the consolidated financial statements.

   ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2020.

   iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2020.

   iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31 March 2020.

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

   In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies to its directors is in accordance with the provisions of Section 197 of the Act read with Schedule V to the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies is not in excess of the limit laid down under Section 197 of the Act read with Schedule V to the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

Jayanta Mukhopadhyay
Partner
Membership No.: 055757
UDIN: 20055757AAAABE5687

Place: Kolkata
Date: 05 June 2020

ANNEXURE TO INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Annexure A to the Independent Auditors' report on the consolidated financial statements of Saregama India Limited for the year ended 31 March 2020

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

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

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2020, we have audited the internal financial controls with reference to consolidated financial statements of Saregama India Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Act which are its subsidiary companies, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

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

Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements

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

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to two subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not modified in respect of the above matters.

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

Jayanta Mukhopadhyay
Partner
Membership No.: 055757
UDIN: 20055757AAAABE5687

Place: Kolkata
Date: 05 June 2020

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2020

(Amount in Rupees lakhs, except otherwise stated)

Particulars	Notes	As at 31 March 2020	As at 31 March 2019
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	3	20,529.30	20,570.52
(b) Right-of-use assets	4	44.32	-
(c) Investment properties	5	230.56	236.12
(d) Intangible assets	6	1,116.36	712.85
(e) Investment accounted for using equity method	36(b)	-	-
(f) Financial assets			
(i) Investments	7.1	7,544.15	14,834.05
(ii) Loans and deposits	7.2	472.47	492.22
(iii) Other financial assets	7.3	0.25	0.25
(g) Other non-current assets	8	235.70	160.98
Total non-current assets		30,173.11	37,006.99
(2) Current assets			
(a) Inventories	9	9,363.57	9,629.57
(b) Financial assets			
(i) Trade receivables	10.1	10,845.84	10,974.55
(ii) Cash and cash equivalents	10.2	704.70	500.21
(iii) Bank balances other than (ii) above	10.3	194.61	178.58
(iv) Loans	10.4	31.11	16.34
(v) Other financial assets	10.5	7.24	5.17
(c) Current tax assets (net)	11	3,689.46	3,490.55
(d) Other current assets	12	6,965.54	9,078.22
Total current assets		31,802.07	33,873.19
TOTAL ASSETS		61,975.18	70,880.18
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	13.1	1,742.60	1,741.05
(b) Other equity	13.2	38,136.47	41,067.25
Equity Attributable to Owners of the Company		39,879.07	42,808.30
Non-controlling interest		224.86	261.83
Total equity		40,103.93	43,070.13
Liabilities			
(1) Non-current liabilities			
(a) Employee benefit obligations	14	349.57	283.55
(b) Deferred tax liabilities (net)	15	4,578.49	5,804.81
Total non-current liabilities		4,928.06	6,088.36
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	16.1	923.22	6,376.53
(ii) Trade payables			
a) Total outstanding dues of micro enterprises and small enterprises	16.2	3.46	1.91
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	16.2	5,796.93	5,643.26
(iii) Lease liabilities	4	47.03	-
(iv) Other financial liabilities	16.3	2,346.40	4,212.94
(b) Other current liabilities	17	2,438.83	1,831.55
(c) Provisions	18	5,158.92	3,567.38
(d) Employee benefit obligations	19	228.40	88.12
Total current liabilities		16,943.19	21,721.69
TOTAL LIABILITIES		21,871.25	27,810.05
TOTAL EQUITY AND LIABILITIES		61,975.18	70,880.18

The accompanying notes 1 to 44 are an integral part of these consolidated financial statements

As per our report of even date attached

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

Jayanta Mukhopadhyay
Partner
Membership No.: 055757
UDIN: 20055757AAAABE5687

Place: Kolkata
Date: 05 June 2020

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

Sanjiv Goenka
Chairman
DIN: 00074796

Vikram Mehra
Managing Director
DIN: 03556680

Vineet Garg
Chief Financial Officer

Kamana Khetan
Company Secretary
ACS: 35161

Place: Kolkata
Date: 05 June 2020

Place: Kolkata
Date: 05 June 2020

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2020

(Amount in Rupees lakhs, except otherwise stated)

	Particulars	Notes	Year ended 31 March 2020	Year ended 31 March 2019
I	Revenue from operations	20	52,147.49	54,471.98
II	Other income	21	1,122.90	5,641.02
III	**Total income (I+II)**		53,270.39	60,113.00
IV	**Expenses**			
	Cost of material consumed/ Contract manufacturing charges	22	10,702.76	22,160.81
	Cost of production of films and television serials	23	5,408.43	4,882.90
	Changes in inventories of finished goods and work-in-progress [(increase)/ decrease]	24	255.96	(4,703.44)
	Employee benefits expense	25	6,661.54	5,651.33
	Finance costs	26	671.47	656.03
	Depreciation and amortisation expense	27	463.76	332.51
	Other expenses	28	23,071.70	22,664.89
	Total expenses (IV)		47,235.62	51,645.03
V	**Profit before tax (III-IV)**		6,034.77	8,467.97
VI	Tax expense			
	- Current tax	29	1,968.01	2,130.51
	- Tax related to prior period	29	45.95	-
	- Deferred tax [(credit)/charge]	15	(328.64)	904.80
	Total tax expense (VI)		1,685.32	3,035.31
VII	**Profit for the year (V-VI)**		4,349.45	5,432.66
VIII	**Other comprehensive income**			
	Items that will be reclassified to profit or loss:			
	(a) Exchange differences on translation of foreign operations		17.84	65.83
	Items that will not be reclassified subsequently to profit or loss:			
	(a) Remeasurements of post-employment benefit obligations		(100.79)	34.03
	(b) Changes in fair value of equity instruments designated at FVOCI		(7,289.90)	(259.45)
	(c) Income tax relating to items that will not be reclassified subsequently to profit or loss	15	870.65	23.07
	Other comprehensive income for the year, net of tax (VIII)		(6,502.20)	(136.52)
IX	**Total comprehensive income for the year (VII+VIII)**		(2,152.75)	5,296.14
	Profit for the year attributable to :-			
	(a) Owners of the Company		4,393.84	5,411.34
	(b) Non-Controlling Interest		(44.39)	21.32
	Other comprehensive income for the year attributable to :-			
	(a) Owners of the Company		(6,509.62)	(150.49)
	(b) Non-Controlling Interest		7.42	13.97
	Total comprehensive income for the year attributable to :-			
	(a) Owners of the Company		(2,115.78)	5,260.85
	(b) Non-Controlling Interest		(36.97)	35.29
X	**Earnings per equity share:**[Nominal value per share **Rs.10** (previous year- Rs. 10)]			
	Basic (Rs.)	40	25.29	31.20
	Diluted (Rs.)	40	25.26	31.18

The accompanying notes 1 to 44 are an integral part of these consolidated financial statements

As per our report of even date attached

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

Jayanta Mukhopadhyay
Partner
Membership No.: 055757
UDIN: 20055757AAAABE5687

Place: Kolkata
Date: 05 June 2020

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

Sanjiv Goenka
Chairman
DIN: 00074796

Vikram Mehra
Managing Director
DIN: 03556680

Vineet Garg
Chief Financial Officer

Kamana Khetan
Company Secretary
ACS: 35161

Place: Kolkata
Date: 05 June 2020

Place: Kolkata
Date: 05 June 2020

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020

(Amount in Rupees lakhs, except otherwise stated)

A. EQUITY SHARE CAPITAL

Description	Number of shares	Amount
As at 1 April 2018	17,410,492	1,741.05
Changes in equity share capital	-	-
As at 31 March 2019	**17,410,492**	**1,741.05**
Changes in equity share capital	**15,520**	**1.55**
As at 31 March 2020	**17,426,012**	**1,742.60**

B. OTHER EQUITY

Particulars	Reserve and surplus						Item of Other Comprehensive Income (OCI)			Non controlling Interest	Total other equity
	Capital reserve	General reserve	Securities premium	Share options outstanding reserve	Treasury Shares	Retained earnings	Revaluation surplus	Equity instruments through OCI	Other items of other comprehensive income (FCTR)		
Balance at 1 April 2018	55.19	693.95	10,252.72	14.37	-	5,256.15	10,318.20	9,806.85	32.92	226.54	36,656.89
Profit for the year	-	-	-	-	-	5,411.34	-	-	-	21.32	5,432.66
Other comprehensive income for the year (net of tax)	-	-	-	-	-	23.97	-	(226.32)	51.86	13.97	(136.52)
Total comprehensive income for the year	-	-	-	-	-	5,435.31	-	(226.32)	51.86	35.29	5,296.14
Final dividend on equity shares for the financial year 2017-18	-	-	-	-	-	(522.31)	-	-	-	-	(522.31)
Dividend distribution tax on above	-	-	-	-	-	(107.36)	-	-	-	-	(107.36)
Recognition of share based payment expense (net)	-	-	-	(0.05)	-	-	-	-	-	-	(0.05)
Deferred Tax on revaluation of property, plant and equipment	-	-	-	-	-	-	2.67	-	-	-	2.67
Transfer from share option reserve on lapse	-	-	-	-	-	3.10	-	-	-	-	3.10
Balance at 31 March 2019	55.19	693.95	10,252.72	14.32	-	10,064.89	10,320.87	9,580.53	84.78	261.83	41,329.08

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

Particulars	Reserve and surplus						Item of Other Comprehensive Income (OCI)			Non controlling Interest	Total other equity
	Capital reserve	General reserve	Securities premium	Share options outstanding reserve	Treasury Shares	Retained earnings	Revaluation surplus	Equity instruments through OCI	Other items of OCI (FCTR)		
Balance at 1 April 2019	55.19	693.95	10,252.72	14.32	-	10,064.89	10,320.87	9,580.53	84.78	261.83	41,329.08
Profit for the year	-	-	-	-	-	4,393.84	-	-	-	(44.39)	4,349.45
Other comprehensive income for the year (net of tax)	-	-	-	-	-	(74.73)	-	(6,445.31)	10.42	7.42	(6,502.20)
Total comprehensive income for the year	-	-	-	-	-	4,319.11	-	(6,445.31)	10.42	(36.97)	(2,152.75)
Issue of equity shares under Saregama Employee Stock Option Scheme 2013	-	-	19.72	-	-	-	-	-	-	-	19.72
Final dividend on equity shares for the financial year 2018-19	-	-	-	-	-	(522.60)	-	-	-	-	(522.60)
Dividend distribution tax on above	-	-	-	-	-	(107.42)	-	-	-	-	(107.42)
Recognition of share based payment expense (net)	-	-	-	521.11	-	-	-	-	-	-	521.11
Deferred Tax on revaluation of property, plant and equipment	-	-	-	-	-	-	27.03	-	-	-	27.03
Purchase of treasury shares by the trust during the year (Refer Note 13.2)	-	-	-	-	(764.32)	-	-	-	-	-	(764.32)
Transfer from share options outstanding reserve on exercise/lapse	-	-	-	-	-	11.48	-	-	-	-	11.48
Balance as at 31 March 2020	55.19	693.95	10,272.44	535.43	(764.32)	13,765.46	10,347.90	3,135.22	95.20	224.86	38,361.33

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

(i) **Capital reserve :** The Group recognises profit or loss on purchase, sale, issue or canellation of the Group's own equity instruments to Capital Reserve. The Group also recognises gains or losses on transaction with Non-Controlling Interest which do not result on loss of control over subsidairy in the capital reserve.

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

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

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

(v) **Treasury Shares :** The Parent Company has formed Saregama Welfare Trust (SWT) for implementation of the Schemes that are notified or may be notified from time to time by the Parent Company under the plan, providing shared based benefits to its employees. SWT purchases shares of the Parent Company out of funds borrowed from the Parent Company. The Parent Company treats SWT as its extension and shares held by SWT are treated as treasury shares.

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

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

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

(ix) **Foreign currency translation reserve :** Exchange difference arising from translation of foreign operations are recognised in other comprehensive income as described in accounting policies [Refer note 1(a)(vi)] and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss on disposal of the net investment.

The accompanying notes 1 to 44 are an integral part of these consolidated financial statements

As per our report of even date attached

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

Jayanta Mukhopadhyay
Partner
Membership No.: 055757
UDIN: 20055757AAAABE5687

Place: Kolkata
Date: 05 June 2020

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

Sanjiv Goenka
Chairman
DIN: 00074796

Vikram Mehra
Managing Director
DIN: 03556680

Vineet Garg
Chief Financial Officer

Kamana Khetan
Company Secretary
ACS: 35161

Place: Kolkata
Date: 05 June 2020

Place: Kolkata
Date: 05 June 2020

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

Background

Saregama India Limited ("the Company") is a Company limited by shares, incorporated and domiciled in India. Saregama India Limited (Parent Company) and its subsidiaries (Parent Company and its subsidiaries together referred as "Group") is primarily engaged in the business of manufacturing and sale of Music storage device viz. Carvaan, Music Card, Audio Compact Discs, Digital Versatile Discs and dealing with related music rights. The Group is also engaged in production and sale/telecast/broadcast of films/Tv Serials, pre-recorded programmes and dealing in film rights, printing of printed materials and marketing support services as detailed under segment information in Note 41. Equity shares of the Parent Company are listed on the Bombay Stock Exchange (BSE), the National Stock Exchange (NSE) and the Calcutta Stock Exchange (CSE). The registered office of the Parent Company is located in Kolkata, West Bengal, India.

The consolidated financials statements were approved and authorised for issue with the resolution of the Board of Directors on 05 June 2020.

1 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied by the Group in the preparation of its consolidated financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these consolidated financial statements, unless otherwise indicated.

(a) Basis of the Preparation

(i) Compliance with Ind AS

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

(ii) Basis of measurement

(a) Historical cost convention

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

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

(b) Functional and presentation currency

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

(iii) Current Versus Non-current Classification

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

Assets

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

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

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

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

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

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

All other assets are classified as non-current.

Liabilities

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

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

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

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

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

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

All other liabilities are classified as non-current.

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

(iv) Principles of consolidation and equity accounting

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

Joint arrangements

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligation of each investors, rather than the legal structure of the joint arrangement. The Group has one joint venture, Saregama Regency Optimedia Private Limited (SROPL), which is under liquidation with effect from 19 September 2016. Accordingly, this entiy has not been consolidated by the Group [Refer note 35(b)].

Joint ventures

Interest in joint ventures are accounted for using the equity method (see below), after initially being recognised at cost in the consolidated balance sheet.

Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its joint venture are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provide evidence of an impairment of the asset transferred. Accounting policies of equity accounted investee have been changed where necessary to ensure consistency with the policies adopted by the group.

(v) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The chief operating decision maker is responsible for allocating resources and assessing performance of the operating segments and has been identified as the Chief Financial Officer of the Group. Refer note 40 for segment information presented.

(vi) Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian Rupee (Rs.), which is Parent Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in profit or loss.

Foreign currency non-monetary items carried in terms of historical cost are reported using the exchange rate at the date of the transactions.

Group Companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into presentation currency as follows:

- Assets and liabilities are translated at the closing rate at the date of that balance sheet.
- Income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- All resulting exchange differences are recognised in other comprehensive income.

(b) Revenue recognition

Effective 1 April 2018, the Group has applied Ind AS 115, Revenue from Contracts with Customers, which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised.

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

- Revenue from the sale of products is recognised at the point in time when control is transferred to the customer. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers. For sale of product on a bill-and hold basis, Group recognises revenue when it satisfies its performance obligation to transfer the control of a product to the customer. For a customer to have obtained control of a product in a bill-and-hold arrangement, Group has applied the guidance as set out in Ind AS 115.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

- Revenue from Music licensing where the customer obtains a "right to use" is recognized at the time the license is made available to the customer. Revenue from licenses where the customer obtains a "right to access" is recognized over the access period.
- Revenue from the sale of television serial episodes is recognised upfront at the point in time when the episode is delivered to the customer.
- Revenue from sale of free commercial time (net of trade discount, as applicable) are recognised when the related advertisement or commercials appears before the public, i.e. on telecast.
- Revenue from theatrical distribution is recognised on exhibition of films. In case of distribution through theatres, revenue is recognised on the basis of box office reports received from various exhibitors. Contracted minimum guarantees are recognised on theatrical release.
- Revenue from Sale of films rights are recognised on assignment of such rights as per terms of the sale/licencing agreements.
- Revenue from current affairs and features magazine is recognised in the period in which the magazines are sold and are accounted for net of commission and discounts. Revenue from subscription to the Group's print publications is recognised as earned, prorata on a per issue basis over the subscription period.

The billing schedules agreed with customers include periodic performance based payments and / or milestone based progress payments. Invoices are payable within contractually agreed credit period.

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

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

Use of significant judgements in revenue recognition :

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

Interest income

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

Dividend income

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

Rental income

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

(c) Property, Plant and Equipment - (PPE)

All items of property, plant and equipment other than freehold land are stated at historical cost i.e. cost of acquisition/construction or at deemed cost as on the date of transition to Ind AS less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

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

Depreciation method, estimated useful lives and residual values

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

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

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

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

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

Transition to Ind AS

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

(d) Investment properties

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

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

Transition to Ind AS

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

(e) **Intangible assets**

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

(i) Music copyrights

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

(ii) Computer software

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

Amortisation method and year

The Group amortises intangible assets with a finite useful lives using the straight-line method over the following periods:

Music Copyrights are amortised on straight line basis over a period of 1-10 years. The Group reviews the expected future revenue potential at the end of each accounting period and recognises impairment loss, where required.

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

Advances paid towards the cost of intangible assets outstanding at each balance sheet date is classified as 'Capital advances' under other non-current assets.

Transition to Ind AS

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

(f) **Impairment of non-financial assets**

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

(g) **Leases**

The Group as a lessee

The Group's lease asset classes primarily consist of leases for buildings and vehicles. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii)the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e.the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

The Group has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

The Group as a lessor

At the inception of the lease the Group classifies each of its leases as either an operating lease or a finance lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. The Group recognises lease payments received under operating leases as income on a straight- line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

Under the erstwhile standard Ind AS 17, operating lease payments as per terms of the agreement, were recognised as an expense in the Statement of Profit and Loss on a straight line basis, except where another systematic basis was more representative of the time pattern in which economic benefits from the leased asset were consumed.

Effective 01 April 2019, the Group adopted Ind AS116 'Leases" and applied the standard to lease contracts existing on 01 April 2019 using the modified retrospective method on the date of initial application. Consequently, the lease liabilities is recognized at the present value of lease payment discounted at the weighted average incremental borrowing rate and same amount is recognized for ROU assets. Comparatives as at and for the year ended 31 March 2019 have not been restated.

The following is the summary of practical expedients elected on initial application:

- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
- Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term and low value leases on the date of initial application.
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

  Ind AS 116 will result in an increase in cash in flows from operating activities and an increase in cash out flows from financing activities on account of lease payments.

The weighted average incremental borrowing rate applied to lease liabilities as at 01 April 2019 is 9.54%. Refer Note 4 for impact of Ind AS 116.

(h) **Inventories**

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

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

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

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

(i) **Investments (other than investments in subsidiaries) and other financial instruments**

(i) Classification

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

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

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

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. In accordance with Ind AS 101, the Group had irrevocably designated its investment in equity instruments as FVOCI on the date of transition to Ind AS.

(ii) Measurement

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

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

(iii) Impairment of financial assets

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

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

(iv) Derecognition of financial assets

A financial asset is derecognised only when

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

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

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

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

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

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

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

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

(vii) Financial liabilities at amortised cost

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit and Loss.

Any gain or loss on derecognition is also recognised in Statement of Profit and Loss.

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

(viii) Fair value of financial instruments

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

(j) **Offsetting financial instruments**

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

(k) **Trade receivables**

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

(l) **Cash and cash equivalents**

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

(m) **Trade payables**

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

(n) **Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

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

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

(o) **Borrowing costs**

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

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

(p) **Foreign currency transactions and translation**

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

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

(q) **Employee benefits expense**

(i) Short-term employee benefits

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

(ii) Other long-term employee benefits

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

(iii) Post-employment benefits

Defined benefit plans

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

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

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

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

Defined contribution plans

The Group has certain defined contribution plans viz. provident fund and superannuation fund. Contributions for provident fund are made at specified percentage of the covered employee's qualifying salary to a government administered fund. Contribution for superannuation fund are made yearly based on a specified percentage of each covered employee's salary to a Trust set up by the Group. Contributions under Defined Contribution Plans are recognised as expenses for the period in which the employee has rendered the service.

(iv) Share-based payments

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

Employee Options

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

- Including any market performance conditions (e.g., the entity's share price);
- excluding the impact of any services and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining and employee of the entity over a specified time period); and

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holdings shares for a specified period of time).

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

Share appreciation rights

Liabilities for the Parent Company's Share Appreciation Rights (SAR), granted pursuant to Parent Company's share appreciaton rights schemes, is measured initially and at the end of each reporting period until settled, at fair value of the SAR, by applying option pricing model, and is recognised as employee benefit expense over the relevant service period. The liabilities are presented as employee benefits obligations in the balance sheet.

(r) **Royalty**

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

(s) **Income tax**

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

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

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

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

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

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

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

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

(t) **Provisions and contingencies**

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

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

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

(u) **Earnings per share**

(i) Basic Earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Group
- by the weighted average number of equity shares outstanding during the financial year excluding treasury shares

(ii) Diluted Earnings per share

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

(v) **Rounding of amounts**

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

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

Mininstry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable for the Group from 1 April 2020.

2 CRITICAL ESTIMATES AND JUDGEMENTS

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

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

The areas involving critical estimates or judgements are:

- Employee benefits (estimation of defined benefit obligations) - Note 1(q) and Note 30

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

- Impairment of trade receivables — Note 1(i)(iii) and Note 33

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

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

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

- Contingencies - Note 1(t) and Note 38

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

- Valuation of deferred tax assets - Note 1(s) and Note 15

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

- Fair value measurements — Notes 1(i)(viii) and Note 32

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

Estimation of uncertainties relating to the global health pandemic from COVID-19:

In view of pandemic relating to COVID – 19, the Group has considered internal and external information available upto the date of approval of these consolidated financial statements and has performed analysis based on current estimates in assessing the recoverability of its assets including trade receivables, inventories, investments, other financial and non-financial assets, for possible impact on these financial statements. The Group has also assessed the impact of this whole situation on its capital and financial resources, profitability, liquidity position, etc. On the basis of its present assessment and current indicators of future economic conditions, the Group expects to recover the carrying amounts of these assets and does not anticipate any material impact on these consolidated financial statements. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration. The impact of the global health pandemic may be different from that estimated as at the date of approval of these consolidated financial statements and the Group will continue to closely monitor any material changes to future economic conditions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

3 PROPERTY, PLANT AND EQUIPMENT (PPE)

Description	Gross carrying amount				Accumulated depreciation				Carrying amount (net)	
	Cost as at 1 April 2019	Additions/ adjustments	Deductions/ adjustments	Cost as at 31 March 2020	As at 1 April 2019	Depreciation for the year	Deductions/ adjustments	As at 31 March 2020	As at 31 March 2020	As at 31 March 2019
Land - Freehold	20,007.76	-	-	20,007.76	-	-	-	-	20,007.76	20,007.76
Buildings - Freehold	70.59	-	-	70.59	23.69	3.97	-	27.66	42.93	46.90
Leasehold buildings	37.71	-	-	37.71	2.40	0.80	-	3.20	34.51	35.31
Plant and equipment	3.14	-	-	3.14	2.42	0.72	-	3.14	-	0.72
Furniture and fixtures	445.41	25.26	-	470.67	203.90	50.15	-	254.05	216.62	241.51
Office equipment	656.99	114.39	5.10	766.28	418.67	123.42	3.29	538.80	227.48	238.32
Vehicles	9.56	-	-	9.56	9.56	-	-	9.56	-	-
Total	21,231.16	139.65	5.10	21,365.71	660.64	179.06	3.29	836.41	20,529.30	20,570.52

Description	Gross carrying amount				Accumulated depreciation				Carrying amount (net)
	Cost as at 1 April 2018	Additions/ adjustments	Deductions/ adjustments	Cost as at 31 March 2019	As at 1 April 2018	Depreciation for the year	Deductions/ adjustments	As at 31 March 2019	As at 31 March 2019
Land - Freehold	18,207.76	1,800.00	-	20,007.76	-	-	-	-	20,007.76
Buildings - Freehold	70.59	-	-	70.59	19.72	3.97	-	23.69	46.90
Leasehold buildings	37.71	-	-	37.71	1.60	0.80	-	2.40	35.31
Plant and equipment	3.14	-	-	3.14	1.28	1.14	-	2.42	0.72
Furniture and fixtures	427.24	18.17	-	445.41	145.84	58.06	-	203.90	241.51
Office equipment	555.68	101.67	0.36	656.99	297.32	121.58	0.23	418.67	238.32
Vehicles	10.05	-	0.49	9.56	7.90	2.15	0.49	9.56	-
Total	19,312.17	1,919.84	0.85	21,231.16	473.66	187.70	0.72	660.64	20,570.52

3.1 The Group has chosen the revaluation model for land and cost model for other items of PPE as its accounting policy [Refer Note 1(c)]. Accordingly, Parent Company's land was revalued on 1 April 2016 by registered valuer using market approach. Resultant incremental value amounting to Rs. 11,640.29 lakhs were added to the book value of related land with corresponding credit to OCI and other equity. The carrying amount of land that would have been recognised had it been carried under the cost model is Rs.6,567.47 Lakhs.

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

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

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

4 THE GROUP AS A LESSEE

Following are the changes in the carrying value of right-of- use assets for the year ended 31 March 2020:

Particulars	Leasehold premises and vehicles
Balance as of 1 April 2019	-
Reclassified on account of adoption of Ind AS 116 as at 1 April 2019	117.97
Additions	7.97
Deletion	-
Depreciation	81.62
Balance as of 31 March 2020	44.32

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

The following is the break-up of current and non-current lease liabilities as at 31 March 2020:

Particulars	As at 31 March 2020
Current lease liabilities	47.03
Non-current lease liabilities	-
Total	**47.03**

The following is the movement in lease liabilities during the year ended 31 March 2020:

Particulars	Leasehold premises and vehicles
Balance as of 1 April 2019	-
Reclassified on account of adoption of Ind AS 116 as at 1 April 2019	117.97
Additions	7.97
Finance cost accrued during the year	9.02
Deletion	-
Payment of lease liabilities	87.93
Balance as of 31 March 2020	**47.03**

The table below provides details regarding the contractual maturities of lease liabilities as at 31 March 2020 on an undiscounted basis:

Particulars	As at 31 March 2020
Less than one year	47.03
One to five years	-
More than five years	-
Total	**47.03**

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The Group has has incurred expenses relating to short term leases and leases of low value assets for certain accommodation. Terms of such lease include option for renewal on mutually agreed terms. There are no restrictions imposed by lease arrangements and there are no purchase options or sub leases or contingent rents. Operating lease rentals for the year recognised in Statement of Profit and Loss amounts to **Rs.425.59 Lakhs** (previous year - Rs.422.14 Lakhs).

The total cash outflow for leases is Rs.513.52 Lakhs for the year ended 31 March 2020, including cash outflow for short term leases and leases of low value assets.

The Group as a Lessor

Rent income includes payments of **Rs.23.58 Lakhs** (previous year - Rs.22.79 Lakhs) for the year relating to agreements entered into by the Group. There are no restrictions imposed by lease arrangements and there are no contingent rents recognised as income for the period. These lease arrangements inter alia include escalation clause/option for renewal.

5 INVESTMENT PROPERTIES

	As at 31 March 2020	As at 31 March 2019
Gross carrying amount		
At the beginning of the year	252.71	252.71
Additions during the year	-	-
Deletions during the year	-	-
At the end of the year	252.71	252.71
Accumulated depreciation		
At the beginning of the year	16.59	11.06
Depreciation charge during the year	5.56	5.53
At the end of the year	22.15	16.59
Carrying amount (net)	230.56	236.12

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

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

	As at 31 March 2020	Year ended 31 March 2019
Rental income (Refer Note 21)	23.58	22.79
Profit from investment properties before depreciation	23.58	22.79
Depreciation (Refer Note 27)	5.56	5.53
Profit from investment properties	18.02	17.26

(ii) Fair value

	As at 31 March 2020	As at 31 March 2019
Investment properties	1,874.01	1,858.88

Estimation of fair value

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

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

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

6 INTANGIBLE ASSETS

Description	Gross carrying amount				Accumulated amortisation and impairment							Carrying amount (net)	
	Cost as at 1 April 2019	Additions/ adjustments	Deductions/ adjustments	Cost as at 31 March 2020	Amortisation as at 1 April 2019	Impairment as at 1 April 2019	Amortisation for the year	Impairment/ (Reversal) for the year	Deductions/ adjustments	Amortisation as at 31 March 2020	Impairment as at 31 March 2020	As at 31 March 2020	As at 31 March 2019
Copyrights-Music	1,128.88	594.99	-	1,723.87	447.99	-	180.00	-	-	627.99	-	1,095.88	680.89
Computer Software	135.22	6.04	-	141.26	103.26	-	17.52	-	-	120.78	-	20.48	31.96
Total	1,264.10	601.03	-	1,865.13	551.25	-	197.52	-	-	748.77	-	1,116.36	712.85

Description	Gross carrying amount				Accumulated amortisation and impairment							Carrying amount (net)
	Cost as at 1 April 2018	Additions/ adjustments	Deductions/ adjustments	Cost as at 31 March 2019	Amortisation as at 1 April 2018	Impairment as at 1 April 2018	Amortisation for the year	Impairment/ (Reversal) for the year	Deductions/ adjustments	Amortisation as at 31 March 2019	Impairment as at 31 March 2019	As at 31 March 2019
Copyrights-Music	935.23	193.65	-	1,128.88	285.83	45.83	162.16	(45.83)	-	447.99	-	680.89
Computer Software	129.88	5.34	-	135.22	80.31	-	22.95	-	-	103.26	-	31.96
Total	1,065.11	198.99	-	1,264.10	366.14	45.83	185.11	(45.83)	-	551.25	-	712.85

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

7 FINANCIAL ASSETS (NON-CURRENT)

7.1 INVESTMENTS

	Face value of each unit as at 31 March 2020	Face value of each unit as at 31 March 2019	Number of shares as at 31 March 2020	Number of shares as at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Investments carried at fair value through other comprehensive income						
Quoted - fully paid equity shares in other companies						
CESC Limited	Rs.10	Rs.10	15,44,988	15,44,988	6,315.20	11,288.45
Phillips Carbon Black Limited	Rs.2	Rs.2	500	500	0.31	0.88
Harrisons Malayalam Limited	Rs.10	Rs.10	100	100	0.05	0.07
CFL Capital Financial Services Limited	Rs.10	Rs.10	100	100	0.02	0.02
STEL Holdings Limited	Rs.10	Rs.10	100	100	0.04	0.10
CESC Ventures Limited (formerly RP SG-Business Process Services Limited)	Rs.10	Rs.10	3,08,997	3,08,997	362.07	1,921.81
Spencers Retail Limited (formerly RP-SG Retail Limited)	Rs.5	Rs.5	9,26,992	9,26,992	687.92	1,483.19
Unquoted - fully paid equity shares in other companies						
Spencer and Company Limited	Rs.9	Rs.9	200	200	0.58	0.48
Woodlands Multispeciality Hospital Limited	Rs.10	Rs.10	2,250	2,250	5.60	5.60
Timbre Media Private Limited	Rs.10	Rs.10	2,30,000	2,30,000	172.36	133.45
Total investments					7,544.15	14,834.05
Aggregate carrying value of quoted investments and market value thereof					7,365.61	14,694.52
Aggregate carrying value of unquoted investments					178.54	139.53
Aggregate provision for impairment in the value of investments					-	-

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

	Fair value as at 31 March 2020	Dividend income recognised during 2019-20	Fair value as at 31 March 2019	Dividend income recognised during 2018-19
Investment in CESC Limited	6,315.20	309.00	11,288.45	270.38
Investment in Phillips Carbon Black Limited	0.31	0.03	0.88	0.02
Investment in Harrisons Malayalam Limited	0.05	-	0.07	-
Investment in CFL Capital Financial Services Limited	0.02	-	0.02	-
Investment in CESC Ventures Limited (formerly RP SG-Business Process Services Limited)	362.07	-	1,921.81	-
Investment in Spencers Retail Limited (formerly RP-SG Retail Limited)	687.92	-	1,483.19	-
Investment in STEL Holdings Limited	0.04	-	0.10	-
Investment in Spencer and Company Limited	0.58	-	0.48	-
Investment in Woodlands Multispeciality Hospital Limited	5.60	-	5.60	-
Investment in Timbre Media Private Limited	172.36	-	133.45	-
Total	7,544.15	309.03	14,834.05	270.40

Note: Pursuant to the Composite Scheme of Arrangement involving CESC Limited (CESC) and nine other CESC subsidiaries as approved by the Hon'ble National Company Law Tribunal, Kolkata Bench, the Parent Company and one of its subsidiary is entitled to receive 5 equity shares of Rs.10 each of the Haldia Energy Limited for every 10 equity shares held in CESC Limited, allotment of the same is pending as on 31 March 2020. Hence, pending such allotment no adjustment has been made in the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

7.2 LOANS AND DEPOSITS

	As at 31 March 2020	As at 31 March 2019
Security deposits		
Unsecured, considered good	472.47	492.22
Total loans and deposits	472.47	492.22

7.3 OTHER FINANCIAL ASSETS

	As at 31 March 2020	As at 31 March 2019
Bank deposits with maturity more than 12 months*		
Unsecured, considered good	0.25	0.25
Total other financial assets	0.25	0.25

* Lying with Government authority **Rs.0.25 Lakh** (31 March 2019 - Rs.0.25 Lakhs).

8 OTHER NON-CURRENT ASSETS

	As at 31 March 2020	As at 31 March 2019
Capital advances		
Unsecured, considered good	163.62	76.50
Unsecured, considered doubtful	36.38	36.38
Less: Provision for doubtful advances	(36.38)	(36.38)
	163.62	76.50
Prepaid expenses		
Unsecured, considered good	72.08	84.48
Total other non-current assets	235.70	160.98

9 INVENTORIES [REFER NOTE:1(H)]

	As at 31 March 2020	As at 31 March 2019
Raw materials	14.96	25.00
Finished goods		
Untelecasted television serials/digital films	264.32	479.37
Carvaan/music card and others @	7,248.70	7,514.10
Work-in-progress		
Digital films under production	1,835.59	1,611.10
Total inventories	9,363.57	9,629.57

@ Includes good in transit worth **Rs.82.40 Lakhs** (31 March 2019 - Rs. 460.89 Lakhs).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

10 FINANCIAL ASSETS (CURRENT)

10.1 TRADE RECEIVABLES

	As at 31 March 2020	As at 31 March 2019
Trade receivables		
Unsecured, considered good	11,636.05	11,628.19
Credit impaired	353.19	353.19
Less: Allowance for expected credit loss	(1,143.40)	(1,006.83)
Total trade receivables	10,845.84	10,974.55

Notes:

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

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

10.2 CASH AND CASH EQUIVALENTS

	As at 31 March 2020	As at 31 March 2019
Cash on hand	3.15	3.55
Bank balances:		
- Current accounts	701.55	496.66
Total cash and cash equivalents	704.70	500.21

10.3 OTHER BANK BALANCES

	As at 31 March 2020	As at 31 March 2019
Earmarked balances with bank		
Deposits (with original maturity more than 3 months but remaining maturity period less than 12 months) #	174.42	162.36
Unpaid dividend accounts @	20.19	16.22
Total other bank balances	194.61	178.58

Includes **Rs.174.42 Lakhs** deposited with Delhi Court (31 March 2019 - Rs.162.36 Lakhs).

@ Earmarked for payment of unclaimed dividend.

10.4 LOANS

	As at 31 March 2020	As at 31 March 2019
Loans to related parties (Refer Note 35)		
Unsecured, considered good	3.63	-
Loan to employees		
Unsecured, considered good	27.48	16.34
Total loans	31.11	16.34

10.5 OTHER FINANCIAL ASSETS

	As at 31 March 2020	As at 31 March 2019
Interest accrued on deposits with banks	7.24	5.17
Total other financial assets	7.24	5.17

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

11 CURRENT TAX ASSETS (NET)

	As at 31 March 2020	As at 31 March 2019
Advance payment of Income Tax and Tax Deducted at Source [net of Provision for Taxation **Rs.8,966.84 Lakhs** (31 March 2019 - Rs 6,952.88 Lakhs)]	3,689.46	3,490.55
Total current tax assets (net)	3,689.46	3,490.55

12 OTHER CURRENT ASSETS

(Unsecured,considered good unless otherwise stated)

	As at 31 March 2020	As at 31 March 2019
Minimum guarantee royalty advances	1,726.16	1,918.67
Royalty advances		
Unsecured, considered good	54.70	120.16
Unsecured, considered doubtful	472.96	447.66
Less: Provision for doubtful advances	(472.96)	(447.66)
	54.70	120.16
Advance to artist against TV projects / films and events		
Unsecured, considered good	766.28	915.43
Unsecured, considered doubtful	324.98	324.98
Less: Provision for doubtful advances	(324.98)	(324.98)
	766.28	915.43
Prepaid expenses		
Unsecured, considered good	709.78	389.05
Unsecured, considered doubtful	44.06	44.06
Less: Provision for doubtful advances	(44.06)	(44.06)
	709.78	389.05
Gratuity (Refer Note 30)	-	9.70
Other receivables	229.87	3,218.72
Advance against supply of goods	699.55	535.44
Balances with government authorities	2,759.12	1,950.97
Advance payment of fringe benefit tax [net of Provision **Rs.147.87 Lakhs** (31 March 2019 - Rs.147.87 Lakhs)]	20.08	20.08
Total other current assets	6,965.54	9,078.22

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

13 EQUITY SHARE CAPITAL AND OTHER EQUITY

13.1 EQUITY SHARE CAPITAL

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number of shares	Amount	Number of shares	Amount
Authorised				
Ordinary shares of Rs.10 each	2,50,00,000	2,500.00	2,50,00,000	2,500.00
Issued				
Ordinary shares of Rs.10 each	1,74,26,012	1,742.60	1,74,10,492	1,741.05
Subscribed and fully paid up				
Ordinary shares of Rs.10 each	1,74,26,012	1,742.60	1,74,10,492	1,741.05

Reconciliation of number of ordinary shares outstanding

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number of shares	Amount	Number of shares	Amount
As at the beginning of the year	1,74,10,492	1,741.05	1,74,10,492	1,741.05
Add: Issue of shares on exercise of Options	15,520	1.55	-	-
As at the end of the year	1,74,26,012	1,742.60	1,74,10,492	1,741.05

Rights issue

Out of 53,38,628 equity shares 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 March 2019 - 5,290) equity shares (relating to cases under litigation/ pending clearence from the concerned authorities) are kept in abeyance as on 31 March 2020.

Rights, preferences and restrictions attached to shares

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

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

Shares held by ultimate holding company

Name of the shareholder	As at 31 March 2020		As at 31 March 2019	
	Number of shares held	Amount	Number of shares held	Amount
Composure Services Private Limited	1,02,91,599	1029.16	1,02,91,599	1029.16

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

Name of the shareholder	As at 31 March 2020		As at 31 March 2019	
	Number of shares held	Holding percentage	Number of shares held	Holding percentage
Composure Services Private Limited	1,02,91,599	59.06%	1,02,91,599	59.11%

Stock option schemes and stock appreciation rights

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

13.2 OTHER EQUITY

Particulars	As at 31 March 2020	As at 31 March 2019
Capital reserve	55.19	55.19
General reserve	693.95	693.95
Securities premium	10,272.44	10,252.72
Share option outstanding reserve	535.43	14.32
Treasury Shares	(764.32)	-
Retained earnings	13,765.46	10,064.89
Revaluation reserve	10,347.90	10,320.87
Equity instrument through OCI	3,135.22	9,580.53
Foreign currency translation reserve	95.20	84.78
Total other equity	38,136.47	41,067.25

(i) **Capital reserve :** The Group recognises profit or loss on purchase, sale, issue or cancellation of the Group's own equity instruments to Capital Reserve. The Group also recognises gains or losses on transaction with Non-Controlling Interest which do not result on loss of control over subsidiary in the capital reserve.

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	55.19	55.19
Balance at the end of the year	55.19	55.19

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

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	693.95	693.95
Balance at the end of the year	693.95	693.95

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

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	10,252.72	10,252.72
Add: 15,520 shares issued on exercise of Options (Refer Note 31)	19.72	-
Balance at the end of the year	10,272.44	10,252.72

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

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	14.32	14.37
Employee stock option expense (Refer Note 25 and 31)	532.59	3.05
Reversal on account of exercise/forfeiture of right	(11.48)	(3.10)
Balance at the end of the year	535.43	14.32

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

(v) **Treasury Shares :** The Parent Company has formed Saregama Welfare Trust (SWT) for implementation of the Schemes that are notified or may be notified from time to time by the Parent Company under the plan, providing shared based benefits to its employees. SWT purchases shares of the Parent Company out of funds borrowed from the Parent Company. The Parent Company treats SWT as its extension and shares held by SWT are treated as treasury shares.

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	-	-
Add: Purchase of treasury shares by the trust during the year	(764.32)	-
Balance at the end of the year	(764.32)	-

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

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	10,064.89	5,256.15
Net profit for the year	4,393.84	5,411.34
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment benefit obligation, net of tax	(74.73)	23.97
Dividends paid	(522.60)	(522.31)
Dividends distribution tax paid	(107.42)	(107.36)
Transfer from share options outstanding reserve on exercise/lapse	11.48	3.10
Balance at the end of the year	13,765.46	10,064.89

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

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	10,320.87	10,318.20
Deferred tax on revaluation of PPE	27.03	2.67
Balance at the end of the year	10,347.90	10,320.87

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

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	9,580.53	9,806.85
Changes in fair value of FVOCI equity instruments during the year	(7,289.90)	(259.45)
Deferred tax on above	844.59	33.13
Balance at the end of the year	3,135.22	9,580.53

(ix) **Foreign currency translation reserve :** Exchange difference arising from translation of foreign operations are recognised in other comprehensive income as described in accounting policies [Refer note 1(a)(vi)] and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss on disposal of the net investment.

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	84.78	32.92
Other comprehensive income for the year	10.42	51.86
Balance at the end of the year	95.20	84.78

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

14 EMPLOYEE BENEFIT OBLIGATIONS (NON-CURRENT)

	As at 31 March 2020	As at 31 March 2019
Leave encashment obligations (Refer Note 30)	349.57	283.55
Total employee benefit obligations (non-current)	349.57	283.55

15 DEFERRED TAX LIABILITIES (NET)

The balance comprises temporary differences attributable to:

	Balance as at 1 April 2019	Recognised to profit or loss during the year	Other adjustments	Recognised to/ reclassified from OCI	Recognised directly to other equity	Balance as at 31 March 2020
Deferred tax liability						
Fair value changes on financial assets-equity instruments	1,281.40	-	-	(844.59)	-	436.81
Property, plant and equipment, right-of-use assets, intangible assets and investment property	4,305.45	23.02	-	-	(27.03)	4,301.44
Minimum guarantee royalty advance for films	614.67	(397.81)	-	-	-	216.86
Provision for royalty on licence fees	115.24	(43.71)	-	-	-	71.53
Total deferred tax liability	6,316.76	(418.50)	-	(844.59)	(27.03)	5,026.64
Deferred tax asset						
Allowance for expected credit loss	329.90	(64.30)	-	-	-	265.60
Expenditure allowable for tax purpose in subsequent years	101.79	(21.03)	-	26.06	-	106.82
Stock appreciation rights	45.27	-	-	-	-	45.27
Income received in advance-digital film	34.99	(16.37)	-	-	-	18.62
Lease Liabilities	-	11.84	-	-	-	11.84
Total deferred tax asset	511.95	(89.86)	-	26.06	-	448.15
Net deferred tax liability	5,804.81	(328.64)	-	(870.65)	(27.03)	4,578.49

	Balance as at 1 April 2018	Recognised to profit or loss during the year	Other adjustments	Recognised to/ reclassified from OCI	Recognised directly to other equity	Balance as at 31 March 2019
Deferred tax liability						
Fair value changes on financial assets-equity instruments	1,314.53	-	-	(33.13)	-	1,281.40
Property, plant and equipment, intangible assets and investment property	4,300.82	7.30	-	-	(2.67)	4,305.45
Minimum guarantee royalty advance for films	-	614.67	-	-	-	614.67
Provision for royalty on licence fees	27.07	88.17	-	-	-	115.24
Total deferred tax liability	5,642.42	710.14	-	(33.13)	(2.67)	6,316.76
Deferred tax asset						
Allowance for expected credit loss	492.78	(162.88)	-	-	-	329.90
Expenditure allowable for tax purpose in subsequent years	168.56	(66.77)	-	-	-	101.79
Stock appreciation rights	45.27	-	-	-	-	45.27
Income received in advance-digital film	-	34.99	-	-	-	34.99
Others	142.60	-	(132.54)	(10.06)	-	-
Total deferred tax asset	849.21	(194.66)	(132.54)	(10.06)	-	511.95
Net deferred tax liability	4,793.21	904.80	-	(23.07)	(2.67)	5,804.81

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

16 FINANCIAL LIABILITIES (CURRENT)

16.1 BORROWINGS

	As at 31 March 2020	As at 31 March 2019
Secured		
Loan repayable on demand from Banks*	633.22	3,580.98
Unsecured		
Short-term loan from bank	-	2,500.00
Inter-corporate deposits, repayable on demand	290.00	295.55
Total borrowings	923.22	6,376.53

* Cash Credit from Banks bearing interest rate between **9.25% to 10.00% p.a.** (2018-19: 9.25% to 10.00% p.a.) are secured by first pari passu charge (ranking pari passu with all consortium bankers) over the whole of the current assets of the Parent Company including its inventories, bills receivable and book debts and all other movables, both present and future whether now lying loose or in cases wherever they may be situated and also by the second charge on the Parent Company's movable fixed assets, both present and future ranking pari passu without any preference or priority of one over the others.

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

16.2 TRADE PAYABLES

	As at 31 March 2020	As at 31 March 2019
Trade payables		
a) Total outstanding dues of micro enterprises and small enterprises	3.46	1.91
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	5,796.93	5,643.26
Total trade payables	5,800.39	5,645.17

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

Micro and Small Enterprises :

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

	As at 31 March 2020	As at 31 March 2019
(a) The Principal amount and interest due thereon remaining unpaid to suppliers under MSMED as at the end of accounting year		
Principal	1.72	0.61
Interest	0.22	0.14
(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	0.58	-
Interest	0.11	-
(c) The amount of interest due and payable for principal paid during the year beyond the appointed day but without adding the interest specified under MSMED		
Principal	-	-
Interest	-	-
(d) The amount of interest accrued and remaining unpaid at the end of the year	0.55	0.25
(e) The amount of further interest remaining due and payable even in the succeeding year, until such date when interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as deductible expenditure under Section 23 of the MSMED [including Rs 1.30 Lakhs (31 March 2019 - Rs.0.91 Lakh being interest outstanding as at the beginning of the accounting year]	1.74	1.30

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

16.3 OTHER FINANCIAL LIABILITIES

	As at 31 March 2020	As at 31 March 2019
Security deposit		
Security deposit from dealers and others	88.36	89.07
Security deposit from General Insurance Corporation of India on sub lease of property	18.01	18.01
Unpaid dividends*	20.19	16.22
Others		
Dealer's incentive	93.90	573.74
Liabilities for expenses	1,103.83	1,611.31
Employee benefits payable	819.21	1,705.02
Interest accrued and due on deposits from dealers	50.32	46.99
Liability towards deposits received under settlement	152.58	152.58
Total other financial liabilities	2,346.40	4,212.94

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

17 OTHER CURRENT LIABILITIES

	As at 31 March 2020	As at 31 March 2019
Income received in advance	1,763.67	1,114.81
Advance from customers	277.46	152.68
Amount payable to Government authorities*	338.20	564.06
Others	59.50	-
Total other current liabilities	2,438.83	1,831.55

*Primarily include payables in respect of Goods and Services Tax (GST) and tax deducted at source (TDS).

18 PROVISIONS

	As at 31 March 2020	As at 31 March 2019
Other provisions		
Provision for returns of magazines	17.92	12.05
Provision for royalty on licence fees (Refer Note 18.1)	5,141.00	3,555.33
Total provisions	5,158.92	3,567.38

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

18.1 MOVEMENT OF PROVISION FOR ROYALTY ON LICENCE FEES

	As at 31 March 2020	As at 31 March 2019
Carrying amount at the beginning of the year	3,555.33	3,584.62
Charged/(credited) to profit or loss		
- created during the year	2,961.95	2,767.06
- discounting on provision created	(281.24)	(524.20)
- unwinding of discount on provision created	326.83	271.88
- unused amounts reversed	(120.09)	(988.42)
Amounts utilised during the year	(1,301.78)	(1,555.61)
Carrying amount at the end of the year	5,141.00	3,555.33

19 EMPLOYEE BENEFIT OBLIGATIONS (CURRENT)

	As at 31 March 2020	As at 31 March 2019
Leave encashment obligations (Refer Note 30)	81.74	59.67
Gratuity (Refer Note 30)	146.66	28.45
Total employee benefit obligations (current)	228.40	88.12

20 REVENUE FROM OPERATIONS

	Year ended 31 March 2020	Year ended 31 March 2019
Sale of products	20,622.68	29,477.77
Sale of services		
Income from films and television serials	7,024.52	4,764.59
Licence fees	23,566.28	19,475.55
Publication	687.86	738.84
Other operating revenue	246.15	15.23
Total revenue from operations	52,147.49	54,471.98

Disaggregation of revenue from contracts with customers

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

	Sale of products		Licence fees		Films/Television serials		Publication	
	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2020	Year ended 31 March 2019
Revenue by geography								
Domestic	19,245.72	28,271.34	14,773.38	12,999.07	6,481.70	4,089.34	682.69	733.17
International	1,376.96	1,206.43	8,792.90	6,476.48	542.82	675.25	5.17	5.67
	20,622.68	29,477.77	23,566.28	19,475.55	7,024.52	4,764.59	687.86	738.84
Timing of Revenue Recognition								
Products and services transferred at a point in time	20,622.68	29,477.77	8,632.17	12,219.14	7,024.52	4,764.59	666.21	720.96
Products and services transferred over time	-	-	14,934.11	7,256.41	-	-	21.65	17.88
Total Revenue from Contracts with customers	20,622.68	29,477.77	23,566.28	19,475.55	7,024.52	4,764.59	687.86	738.84

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

Relationship between disclosure of disaggregated revenue and revenue information for each reportable segment has been disclosed in Note 41 to the financial statement.

Contract Balances

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

	Year ended 31 March 2020	Year ended 31 March 2019
Receivables, which are included in 'trade receivables' (Refer Note 10.1)	10,845.84	10,974.55
Contract liabilities, which are included in 'income received in advance' (Refer Note 17)	1,763.67	1,114.81

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

A receivable is a right to consideration that is unconditional upon passage of time. Revenue from the sale of products is recognised at the point in time when control is transferred to the customer. Revenue from licenses where the customer obtains a "right to access" is recognized over the access period. Revenues in excess of billings is recorded as unbilled revenue and is classified as a financial asset for these cases as right to consideration is unconditional upon passage of time.

Invoicing in excess of earnings are classified as contract laibility .

Changes in contract liabilities are as follows:

	Year ended 31 March 2020	Year ended 31 March 2019
Balance at the beginning of the year	1,114.81	407.51
Revenue recognised that was included in the contract liabilities at the beginning of the year	(1,114.81)	(407.51)
Increase due to invoicing during the year, excluding amounts recognised as revenue during the year	1,763.67	1,114.81
Balance at the end of the year	1,763.67	1,114.81

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

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

	Year ended 31 March 2020	Year ended 31 March 2019
Contracted prices	52,831.42	55,662.92
Reductions towards variable consideration components	(930.08)	(1,206.17)
Revenue recognised*	51,901.34	54,456.75

* The above balances inlcude revenue from sale of products and sale of services.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

Performance obligation

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

Type of product	Nature and timing of satisfaction of performance obligation, including significant payment terms	Revenue recognition under Ind AS 115
Physical products	In case of sales of products, customer obtain control of the products when the goods are delivered at customer's premise. For sale of product on a bill-and hold basis, for a customer to have obtained control of a product in a bill-and-hold arrangement, Group has applied the guidance as set out in Ind AS 115.	Revenue from the sale of products is recognised at the point in time when control is transferred to the customer. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers. Group recognises revenue when it satisfies its performance obligation to transfer the control of a product to the customer. For a customer to have obtained control of a product in a bill-and-hold arrangement, Group has applied the guidance as set out in Ind AS 115.
Music Licensing	The performance obligation of "right-to-use" of Music Licensing contracts gets satisfied at the time of entering into agreement/ contracts with customers. In case of "right-to-access" of Music Licensing contracts, the Group undertakes activities that significantly affect the Music Licenses to which the customer has rights. In these cases, the performance obligation gets complete when the Customers accessess the music licenses. Payment is made as per the terms of the Contract.	Revenue from Music licensing where the customer obtains a “right to use” is recognized at the time the license is made available to the customer. Revenue from licenses where the customer obtains a “right to access” is recognized over the access period.
Sale of television serial episodes	In case of sale of TV serial episodes, customer obtain control of the TV Software when the same is delivered to them and revenue is recognised at that point in time.	Revenue from the sale of televeision serial episodes is recognised upfront at the point in time when the software is delivered to the customer.
Sale of Free Commercial Time	The performance obligation gets satisfied at the time when the related advertisement or commercials appears before the public, i.e. on telecast.	Revenue from sale of free commercial time (net of trade discount, as applicable) are recognised when the related advertisement or commercials appears before the public, i.e. on telecast.
Threatrical Distribution of Films	The performance obligation gets satisfied at the time of exhibition of films.	Revenue from theatrical distribution is recognised on exhibition of films. In case of distribution through theatres, revenue is recognised on the basis of box office reports received from various exhibitors. Contracted minimum guarantees are recognised on theatrical release.
Sale of Film Rights	The performance obligation gets satisfied at the time of assignment of such rights as per terms of the sale/licencing agreements. Invoices are payable within contractually agreed credit period.	Revenue from Sale of films rights are recognised on assignment of such rights as per terms of the sale/licencing agreements.
Publication revenue	The performance obligation gets satisfied when the magazines are sold. The performance obligation gets satisfied when the publications are delivered to the subscribers over the subscription period.	Revenue from current affairs and features magazine is recognised in the period in which the magazines are sold and are accounted for net of commission and discounts. Revenue from subscription to the Group's print publications is recognised as earned, prorata on a per issue basis over the subscription period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

21 OTHER INCOME

	Year ended 31 March 2020	Year ended 31 March 2019
Liabilities/Provisions no longer required written back	328.09	1,134.80
Provision for advances no longer required written back	-	9.35
Interest income under effective interest method (refer note below)	378.82	879.97
Dividend income from equity investments designated at FVOCI*	309.03	270.40
Profit on sale of property, plant and equipment	0.12	0.88
Profit on sale of Investment in Mutual Fund	0.12	0.43
Rent Income (Refer Note 4)	23.58	22.79
Net gain on foreign currency transactions/ translation	59.13	96.30
Insurance claim against fire (Refer Note 43)	-	3,218.72
Other non-operating income	24.01	7.38
Total other income	1,122.90	5,641.02

Note:

	Year ended 31 March 2020	Year ended 31 March 2019
Above Interest income comprises :		
- Interest income on bank balances and bank deposits	14.12	11.15
- Interest income on income tax refund	13.61	280.97
- Unwinding of discount on financial assets	67.13	51.61
- Discounting of financial liabilities/provision	281.24	524.20
- Other interest	2.72	12.04
Total interest income	378.82	879.97

* All dividends from equity investments designated at FVOCI relate to investments held at the end of the reporting year.

22 COST OF MATERIAL CONSUMED/ CONTRACT MANUFACTURING CHARGES

	Year ended 31 March 2020	Year ended 31 March 2019
Cost of materials consumed	156.04	99.85
Contract manufacturing charges	10,546.72	22,060.96
Total cost of material consumed/ contract manufacturing charges	10,702.76	22,160.81

23 COST OF PRODUCTION OF FILMS AND TELEVISION SERIALS

	Year ended 31 March 2020	Year ended 31 March 2019
Cost of production of films and television serials	5,408.43	4,882.90
Total cost of production of films and television serials	5,408.43	4,882.90

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

24 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS [(INCREASE)/DECREASE]

	Year ended 31 March 2020		Year ended 31 March 2019	
Opening stock				
- Finished goods- Untelecasted television serials/digital films	479.37		110.47	
- Finished goods- Carvaan/music card and others	7,514.10		3,641.24	
- Work-in-progress- Digital films under production	1,611.10	9,604.57	1,149.42	4,901.13
Less: Closing stock				
- Finished goods- Untelecasted television serials/digital films	264.32		479.37	
- Finished goods- Carvaan/music card and others	7,248.70		7,514.10	
- Work-in-progress- Digital films under production	1,835.59	9,348.61	1,611.10	9,604.57
Net decrease/(increase)		255.96		(4,703.44)

25 EMPLOYEE BENEFITS EXPENSE

	Year ended 31 March 2020	Year ended 31 March 2019
Salaries, wages and bonus	6,099.81	5,227.89
Share based payment expense (Refer Note 31)	21.78	3.05
Contribution to provident and other funds (Refer Note 30)	331.42	280.96
Staff welfare expenses	208.53	139.43
Total employee benefits expense	6,661.54	5,651.33

26 FINANCE COSTS

	Year ended 31 March 2020	Year ended 31 March 2019
Interest expense on financial liabilities measured at amortised cost:		
- on loan and others	302.06	343.11
- unwinding of discount on financial liabilities/provision	326.83	271.88
- on lease liabilities	9.02	-
Other borrowing costs	33.56	41.04
Total finance costs	671.47	656.03

27 DEPRECIATION AND AMORTISATION EXPENSE

	Year ended 31 March 2020	Year ended 31 March 2019
Depreciation on property, plant and equipment	179.06	187.70
Depreciation on right-of-use assets	81.62	-
Depreciation on investment properties	5.56	5.53
Amortisation on Intangible asset	197.52	139.28
Total depreciation and amortisation expense	463.76	332.51

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

28 OTHER EXPENSES

	Year ended 31 March 2020	Year ended 31 March 2019
Power and fuel	122.33	114.48
Rent (Refer Note 4)	425.59	422.14
Repairs - Buildings	31.89	18.62
- Machinery	-	1.51
- Others	41.13	42.91
Royalties	6,124.79	5,591.64
Recording expenses	20.26	30.87
Carriage, freight and forwarding charges	1,717.50	1,963.71
Rates and taxes	174.80	686.76
Insurance	121.89	82.44
Travel and conveyance	728.95	622.53
Advertisement and sales promotion	9,293.89	10,484.89
Editorial expenses	137.66	100.48
Printing and publishing expenses	68.14	63.11
Printing and communication expenses	335.66	336.46
Bad debts/advances written off	5.03	24.81
Allowance for expected credit loss / provision for doubtful advances	159.98	(415.67)
Provision for magazine returns	13.08	10.73
Loss on disposal of property, plant and equipment	1.81	0.21
Legal and consultancy expenses	2,147.58	1,346.50
Corporate social responsibility expenses (Refer Note 28.1)	113.16	70.22
Payment to auditors	100.37	90.39
Miscellaneous expense	1,186.21	975.15
Total other expense	23,071.70	22,664.89

28.1 CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

	Year ended 31 March 2020	Year ended 31 March 2019
(a) Gross amount required to be spent by the Group during the year	113.16	70.22
(b) Amount paid to RP-Sanjiv Goenka Group CSR Trust towards purposes other than construction/acquisition of assets	113.16	70.22
(c) There is no provision outstanding as at 31 March 2020 and 31 March 2019.		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

29 TAX EXPENSES

A. Tax expense recognised in the Statement of Profit and Loss

	Year ended 31 March 2020	Year ended 31 March 2019
Current tax		
Current tax on profits for the year	1,968.01	2,130.51
Tax related to prior period	45.95	-
Total current tax	2,013.96	2,130.51
Deferred tax		
Decrease in deferred tax assets	89.86	194.66
(Decrease)/ increase in deferred tax liabilities	(418.50)	710.14
Total deferred tax expense (credit)/charge	(328.64)	904.80
Total tax expense	1,685.32	3,035.31

B. Amount recognised in other comprehensive income

	Year ended 31 March 2020	Year ended 31 March 2019
The tax charge arising on income and expenses recognised in Other Comprehensive Income are as follows:		
Deferred tax		
On items that will not be reclassified subsequently to profit or loss		
Remeasurements of post-employment benefit obligations	26.06	(10.06)
Changes in fair value of equity instruments designated at FVOCI	844.59	33.13
Total	870.65	23.07

C. Reconciliation of tax expense

	Year ended 31 March 2020	Year ended 31 March 2019
Profit before tax	6,034.77	8,467.97
Income tax expense calculated @ **25.17%** (31 March 2019 - 29.12%)	1,518.95	2,465.87
Adjustments:		
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Items not deductible for tax purposes	145.45	543.04
Effect of income not taxable	(77.78)	(66.86)
Other items	8.72	2.03
Impact of change in statutory tax rate	89.98	91.23
Income tax expense	1,685.32	3,035.31

The tax rate used in the above reconciliation for the year 2019-20 is the tax rate of **25.17%** (22% + surcharge @ 10% and education cess @ 4%) as against tax rate of 29.12% (25% + surcharge @ 12% and education cess @ 4%) for the year 2018-19 payable on taxable profits under the Income Tax Act, 1961.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

30 ASSETS AND LIABILITIES RELATING TO EMPLOYEE BENEFITS

(I) Post-employment Defined Benefit Plans:

(A) Gratuity (funded)

The Group provides for gratuity, a defined benefit retirement plan covering eligible employees. As per the plan, the Gratuity Fund Trusts, administered and managed by the Trustees and funded primarily with Life Insurance Corporation of India (LICI), ICICI Prudential Life Insurance Company Limited and Aviva Life Insurance Company Limited, make payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Trustees are responsible for the overall governance of the plan and to act in accordance with the provisions of the trust deed and rules in the best interests of the plan participants. Each year an Asset-Liability matching study is performed in which the consequences of the strategic investment policies are analysed in terms of risk and return profiles. Investment and contribution policies are integrated within this study. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation as set out in Note 1(q)(iii) in significant accounting policies, based upon which, the Group makes contributions to the Employees' Gratuity Funds.

The following table sets forth the particulars in respect of the Gratuity Plan (funded) of the Group:

		31 March 2020		31 March 2019	
		Parent	Subsidiary	Parent	Subsidiary
(a)	**Reconciliation of opening and closing balances of the present value of the defined benefit obligation:**				
	Present value of obligation at the beginning of the year	487.90	45.28	511.91	41.56
	Current service cost	64.59	10.84	73.70	9.86
	Interest cost	33.68	3.49	34.59	3.16
	Remeasurements (gains) / losses				
	Actuarial (gain)/ loss arising from changes in financial assumptions	27.88	5.69	3.83	(0.49)
	Actuarial (gain)/ loss arising from changes in experience adjustments	60.33	0.27	1.60	(2.63)
	Actuarial (gain)/ loss arising from changes in demographic adjustments	-	0.01	(36.39)	-
	Benefits paid	(27.04)	(4.27)	(101.34)	(6.18)
	Present value of obligation at the end of the year	647.34	61.31	487.90	45.28
(b)	**Reconciliation of the opening and closing balances of the fair value of plan assets:**				
	Fair value of plan assets at the beginning of the year	459.45	54.98	485.06	43.40
	Interest Income	33.36	4.24	34.12	3.30
	Remeasurements gains / (losses)				
	Return on plan assets (excluding amount included in net interest cost)	(5.52)	(1.09)	0.49	(0.54)
	Contributions by employer	30.00	-	30.00	15.00
	Benefits paid	(9.16)	(4.27)	(90.22)	(6.18)
	Fair value of plan assets at the end of the year	508.13	53.86	459.45	54.98
(c)	**Reconciliation of the present value of the defined benefit obligation and the fair value of plan assets:**				
	Present value of obligation at the end of the year	647.34	61.31	487.90	45.28
	Fair value of plan assets at the end of the year	508.13	53.86	459.45	54.98
	Liabilities recognised in the balance sheet	139.21	7.45	28.45	(9.70)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

		31 March 2020		31 March 2019	
		Parent	Subsidiary	Parent	Subsidiary
(d)	**Actual return on plan assets**	27.84	3.15	34.61	2.75
(e)	**Re-measurements losses/(gains) recognised in the Other Comprehensive Income**				
	Return on plan assets (excluding amount included in net interest cost)	5.52	1.09	(0.49)	0.54
	Effect of changes in financial assumptions	27.88	5.69	3.83	(0.49)
	Effect of changes in experience adjustments	60.33	0.27	1.60	(2.63)
	Effect of changes in demographic adjustments	-	0.01	(36.39)	-
	Total re-measurement losses/(gains) included in Other Comprehensive Income	93.73	7.06	(31.45)	(2.58)
(f)	**Expense recognised in Statement of Profit or Loss:**				
	Current service cost	64.59	10.84	73.70	9.86
	Net interest cost	0.32	(0.75)	0.47	(0.14)
	Total expense recognised in Statement of Profit and Loss (Refer Note 25)	64.91	10.09	74.17	9.72
(g)	**Category of plan assets:**	In %	In %	In %	In %
	(a) Fund with Life Insurance Corporation of India	63%	-	61%	-
	(b) NAV based Group Balanced Fund with ICICI Prudential Life Insurance Company Limited	18%	-	20%	-
	(c) NAV based Group Short Term Debt Fund with ICICI Prudential Life Insurance Company Limited	9%	-	9%	-
	(d) NAV based Group Debt Fund with ICICI Prudential Life Insurance Company Limited	10%	-	10%	-
	(e) Fund with Aviva Life Insurance Company India Ltd.	-	100%	-	100%
		100%	100%	100%	100%
(h)	**Maturity profile of defined benefit obligation:**				
	Within 1 year	289.27	8.13	218.58	5.38
	1-2 year	29.47	11.48	20.34	10.32
	2-5 years	128.68	14.22	75.11	16.78
	Over 5 years	424.10	109.65	314.91	92.72
(i)	**Principal actuarial assumptions:**				
	Discount rate	6.30%	6.75%	7.10%	7.70%
	Salary growth rate	10.00%	7.00%	10.00%	7.00%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

Assumptions regarding future mortality experience are based on mortality tables of 'Indian Assured Lives Mortality (2006-2008)' published by the Institute of Actuaries of India.

The estimate of future salary increases takes into account inflation, seniority, promotion and other relevant factors, such as demand and supply in the employment market.

(j) **Sensitivity analysis**

	Change in Assumption	Impact on defined benefit obligation (2019-20)	Impact on defined benefit obligation (2018-19)
Discount Rate	Increase by 1%	**Decrease by Rs.40.34 Lakhs**	Decrease by Rs.30.38 Lakhs
	Decrease by 1%	**Increase by Rs.46.94 Lakhs**	Increase by Rs.35.36 Lakhs
Salary Growth Rate	Increase by 1%	**Increase by Rs.45.09 Lakhs**	Increase by Rs.34.23 Lakhs
	Decrease by 1%	**Decrease by Rs.39.62 Lakhs**	Decrease by Rs.30.04 Lakhs

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit obligation recognised in the Balance Sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(k) The Group expects to contribute **Rs.92.00 Lakhs** (previous year - Rs.65.81 Lakhs) to the funded gratuity plans during the next financial year.

(l) The weighted average duration of the defined benefit obligation as at 31 March 2020 for Parent Company is **6 years** (31 March 2019 – 6 years) and for subsidiary is **11 Years** (31 March 2019 - 11 Years).

(II) Post-employment defined contribution plans

(A) Superannuation fund

Certain categories of employees of the Parent Company participate in superannuation, a defined contribution plan administered by the Trust set up by the Parent Company. The Parent Company makes yearly contributions based on a specified percentage of each covered employee's salary. The Parent Company has no further obligations under the plan beyond its annual contributions.

During the year, an amount of Rs.14.77 Lakhs (previous year- Rs.13.22 Lakhs) has been recognised as expenditure towards above defined contribution plan of the Parent Company (Refer Note 25).

(B) Provident fund

All categories of employees of the Group receive benefits from a provident fund, a defined contribution plan. Both the employee and employer make monthly contributions to a government administered fund at specified percentage of the covered employee's qualifying salary. The Group has no further obligations under the plan beyond its monthly contributions.

During the year, an amount of **Rs.227.08 Lakhs** (previous year- Rs.174.49 Lakhs) has been recognised as expenditure towards above defined contribution plans of the Group (Refer Note 25).

(III) Leave obligations

The Group provides for accumulation of leave by certain categories of its employees. These employees can carry forward a portion of the unutilised leave balances and utilise it in future periods or receive cash (only in case of earned leave) in lieu thereof as per the Group's policy. The Group records a provision for leave obligations in the period in which the employee renders the services that increases this entitlement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

The total provision recorded by the Group towards this obligation was **Rs.431.31 Lakhs** and Rs.343.23 Lakhs as at 31 March 2020 and 31 March 2019 respectively. The amount of the provision is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

	31 March 2020	31 March 2019
Leave provision not expected to be settled within the next 12 months (Refer Note 14).	**349.57**	283.55

(IV) Risk exposure

Through its defined benefit plans, the Company is exposed to some risks, the most significant of which are detailed below:

Discount rate risk

The Company is exposed to the risk of fall in discount rate. A fall in discount rate will eventually inrease the ultimate cost of providing the above benefit thereby increasing the value of the liability.

Salary growth risks

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

Demographic risk

In the valuation of the liability, certain demographic (mortality and attrition rates) assumptions are made. The Company is exposed to this risk to the extent of actual experience eventually being worse compared to the assumptions thereby causing an increase in the benefit cost.

31 SHARE BASED PAYMENTS

(a) Employee stock option scheme

The establishment of the Employee Stock Option Scheme 2013 (Scheme) was approved by the shareholders of the parent company at the Annual General Meeting held on 26 July 2013. The Scheme is designed to provide incentives to eligible employees to deliver long term returns. Under the Scheme each Option entitles the holder thereof to apply for and be allotted one equity shares of the Parent Company of Rs.10 each upon payment of the exercise price during the exercise period.

The exercise period commences from the date of vesting of the Options and expires at the end of 10 years from the date of vesting. The Options have been granted at the 'market price' as defined under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

Performance linked vesting schedule of the said options is as follows :-

- After 1 year from the date of grant : 20 % of the options granted
- After 2 years from the date of grant : 20 % of the options granted
- After 3 years from the date of grant : 20 % of the options granted
- After 4 years from the date of grant : 20 % of the options granted
- After 5 years from the date of grant : 20 % of the options granted

Information in respect of Options granted under the Scheme :

Pursuant to approved Scheme, the Compensation Committee / Nomination and Remuneration Committee of the Board of Directors of the Parent Company has granted shares / options during 2013-14, 2016-17 and 2019-20 to certain eligible employees and outstanding as on 31 March 2020 at the following exercise price, being prevailing market price as on date of joining / revision of salary of respective employee

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

Name of eligible employees	As at 31 March 2020		As at 31 March 2019	
	No. of options/ shares	Exercise price per share (Rs.)	No. of options/ shares	Exercise price per share (Rs.)
Mr. Vikram Mehra, Managing Director*	2,00,000	170.65	-	-
Mr. G. B. Aayeer, Chief Financial Officer and Director (upto 28 May 2018)	-	-	9,529	69.85
Mr. Kumar Ajit, Vice President - Sales and marketing	4,000	243.70	10,000	243.70

Exercise of options by the option holders shall entail issuance of equity shares by the Parent Company on compliance / completion of related formalities on the basis of 1:1.

During the year 2018-19, 471 options out of 10,000 options granted to Mr.G.B.Aayeer with exercise price of Rs.69.85 per share was lasped on his retirement.

The Nomination and Remuneration Committee of the Board of Directors of the Parent Company in its meeting held on 8 May 2019, has recommended amendments to the clauses in the ESOS 2013 to effect implementation of the said scheme through Saregama Welfare Trust and the same has been approved by the shareholders of the Parent Company in the Annual General Meeting held on 19 July 2019. Basis the above modification, ESOS 2013 is being implemented through a trust viz. Saregama Welfare Trust ("Trust") in accordance with the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI SBEB Regulations"). This involves secondary market acquisition of the Parent Company's equity shares by the Trust.

*The Nomination and Remuneration Committee of the Parent Company in its meeting held on 17 Januray 2020 cancelled 2,00,000 Stock Appreciation rights issued to Mr. Vikram Mehra, Managing Director, on 27 October 2014 already vested under the Saregama Stock Appreciation Rights Scheme 2014.

In accordance with the aforesaid shareholders approval w.r.t. modification of employee share benefit schemes, the Nomination and Remuneration Committee of the Parent Company has granted 2,00,000 options to Mr. Vikram Mehra, Managing Director under the Saregama Employee Stock Option Scheme 2013 at an exercise price of Rs.170.65, being in line with the requirements of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

The aforesaid Options would vest after 1 year from the date of grant and the exercise period is 10 years from the date of vesting of earlier issued SARs i.e. 27 October 2016.

Measurement of fair value

The fair value of Employee Stock Options as on the date of grant was determined using the Black Scholes Model which takes into account the share price at the measurement date, expected price volatility of the underlying share, the expected dividend yield and risk free interest rate and carrying amount of liability included in employee benefit obligations.

The fair value of the options and the inputs used in the measurement of fair value as on the grant date are as follows:

	Vikram Mehra	Kumar Ajit
Grant date	17-Jan-20	9-Sep-16
Fair value at grant date (Rs.)	304.40	141.90
Share price at grant date (Rs.)	435.00	243.70
Exercise price (Rs.)	170.65	243.70
Expected volatilty	48.50%	55.96%
Expected Life (expected weighted average life)	3.9 Years	8 Years
Expected dividend	0.54%	1.34%
Risk free interest rate (based on Government bonds)	6.40%	7.00%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

Expected volatility has been based on the evaluation of the historical volatility of the Parent Company's share price, particularly over the historical period commensurate with the expected term. The Expected term of the instruments has been based on the historical experience and general option holder behaviour.

Reconciliation of outstanding share options

	31 March 2020	31 March 2019
Number of Options Outstanding at the beginning of the year	19,529	30,000
Number of Options granted during the year	2,00,000	-
Number of Options forfeited/lapsed during the year	9	10,471
Number of Options vested during the year	2,000	5,940
Number of Options exercised during the year	15,520	-
Number of Shares arising as a result of exercise of options	15,520	-
Number of Options outstanding at the end of the year	2,04,000	19,529
Number of Options exercisable at the end of the year	-	13,529

The weighted average share price of shares arising upon exercise of Options for the year ended 31 March 2020 based on the closing market price on NSE was Rs.476.19. No options has been exercised during the year ended 31 March 2019.

(b) **Stock appreciation rights**

The Nomination and Remuneration Committee of the Board of Directors of the Parent Company has granted Stock Appreciation Rights ("SAR") to certain eligible employees pursuant to the Company's Stock Appreciation Rights Scheme 2014 and Stock Appreciation Rights Scheme 2018 (together referred to as "Schemes"). The grant price is determined as defined in the Scheme. The Schemes have different performance linked vesting schedules. The exercise period commences from the date of vesting of the Options and expires at the end of 10 years from the date of vesting. Under the Scheme, the specified eligible employees are entitled to receive cash payment, being the difference in the share price between the date of grant and the date of exercise subject to certain conditions. The Schemes are administered by Nomination and Remuneration Committee.

Details of SAR Schemes	SAR Scheme'2014	SAR Scheme'2018
Grant Date	27 October 2014	31 July 2018
Grant Price (Rs.)	170.65	416.20
Vesting Schedule	66% after 1 year from grant date 34% after 2 years from grant date	40% after 1 year from grant date 20% after 2 years from grant date 20% after 3 years from grant date 20% after 4 years from grant date

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

	As at 31 March		As at 31 March	
	2020	2019	2020	2019
Number of SAR outstanding at the beginning of the year	2,00,000	2,00,000	1,00,000	-
Add : Granted during the year	-	-	-	1,00,000
Less : Forfeited / lapsed during the year	2,00,000	-	-	-
Less : Exercised during the year	-	-	-	-
Number of SAR outstanding at the end of the year	-	2,00,000	1,00,000	1,00,000
Fair value of SAR at the end of the year (Rs.)	-	456.10	66.78	390.54
Carrying amount of liability - included in employee benefits payable (Rs.in Lakhs) (Refer Note 16.4)	-	912.20	48.07	156.73

The fair value of SAR was determined using the Black Scholes Model using the following inputs at the grant date and at each reporting dates:	SAR Scheme'2014		SAR Scheme'2018	
	As at 31 March		As at 31 March	
	2020	2019	2020	2019
Share price at measurement date (Rs. per share)	*	589.80	195.30	589.80
Exercise price (Rs. per share)	*	170.65	416.20	416.20
Expected time (in years)	*	3.80	5.66	6.50
Expected volatility (%)	*	54.80%	52.96%	53.88%
Dividend yield (%)	*	0.55%	0.54%	0.55%
Risk-free interest rate (%)	*	6.85%	6.00%	7.24%

(c) Expense arising from share based payment transactions

Total expenses arising from share-based payment transactions recognised in Statement of Profit and Loss as part of employee benefit expense are as follows:

	Year ended 31 March 2020	Year ended 31 March 2019
Employee stock option scheme	21.78	3.05
Share appreciation rights	(510.05)	31.93

During the year, the Parent Company has cancelled the existing SAR Scheme 2014 and have issued equivalent options under the Employee Stock Option Scheme 2013 to SAR holder. The said modification has resulted in change of classification from cash-settled to equity-settled and, at the same time, change the value of the award. Accordingly, Parent Company has recognised the change in the value of the liability on account of modification in the plan in the statement of profit or loss. Further, as the classification changes from cash-settled to equity settled, the Parent Company immediately reclassified the amount of Rs.510.81 Lakhs lying as provision for Stock Appreciation Rights up to the modification date i.e 17 January 2020 to equity i.e Share Options Outstanding Account. The expense for the remainder vesting period is based on the award's fair value, measured at the modification date and not at the original grant date. The unamortised fair value of the award of Rs. 97.96 Lakhs as on the date of modification is recognised in the statement of profit and loss over the vesting period of one year from the date of gant with corresponding credit to equity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

32 FAIR VALUE MEASUREMENTS

(i) Financial instruments by category

	Notes	As at 31 March 2020 Carrying Amount / Fair Value	As at 31 March 2019 Carrying Amount / Fair Value
A. Financial assets			
(a) Measured at fair value through OCI			
Investments			
Equity instruments	7.1	7,544.15	14,834.05
Sub total		7,544.15	14,834.05
(b) Measured at amortised cost			
Trade receivables	10.1	10,845.84	10,974.55
Cash and cash equivalents	10.2	704.70	500.21
Other bank balances	10.3	194.61	178.58
Loans and deposits	7.2,10.4	503.58	508.56
Other financial assets	7.3,10.5	7.49	5.42
Sub total		12,256.22	12,167.32
Total financial assets		19,800.37	27,001.37
B. Financial Liabilities			
Measured at amortised cost			
Borrowings	16.1	923.22	6,376.53
Trade payables	16.2	5,800.39	5,645.17
Lease liabilities	4	47.03	-
Other financial liabilities	16.3	2,346.40	4,212.94
Total financial liabilities		9,117.04	16,234.64

(ii) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are

(a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows below:

Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: Inputs other than quoted price included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

The fair value of financial instruments that are not traded in an active market is determined using market approach and valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

If one or more of the significant inputs is not based on observable market data, the fair value is determined using generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparty.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

The fair value of trade receivables, cash and cash equivalents, other bank balances, loans and deposits, trade payables, borrowings, lease liabilities and other financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short-term nature. The fair values of unquoted equity instruments were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterpaty credit risk.

There has been no change in the valuation methodology for Level 3 inputs during the year. The Group has classified certain financial instruments under Level 3 of the fair value hierarchy. There were no transfers between Level 1 and Level 2 during the year ended 31 March 2020 and 31 March 2019.

Particulars	Fair Value Hierarchy Level	As at 31 March 2020	As at 31 March 2019
Financial assets			
Measured at fair value through OCI			
Investments			
Equity instruments (quoted)	1	7,365.61	14,694.52
Equity instruments (un-quoted)	3	178.54	139.53
		7,544.15	14,834.05

Since, some of the Group's financial assets as mentioned in above table are carried at fair value for which Level 3 inputs have been used. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

	Valuation Technique	Significant unobservable inputs	Sensitivity	
			31 March 2020	31 March 2019
Unquoted Equity Instruments	Discounted cash flow	Earning growth rate/ Discounting rate	Increase in earning growth rate by 1% and lower discount rate by 1% would increase fair value by Rs.46.17 Lakhs.	Increase in earning growth rate by 1% and lower discount rate by 1% would increase fair value by Rs.41.10 Lakhs.
			Decrease in earning growth rate by 1% and higher discount rate by 1% would decrease fair value by Rs. 40.60 Lakhs.	Decrease in earning growth rate by 1% and higher discount rate by 1% would decrease fair value by Rs.36.53 Lakhs.

Level 3 fair values - Movement in the values of unqouted equity instruments

The following table shows a reconciliation from the opening balance to the closing balance for Level 3 fair values:

Particulars	FVOCI Equity Instruments
Balance at 1 April 2018	164.55
Gain / (loss) included on OCI	
- Net change in fair value (unrealised)	(25.02)
Balance at 31 March 2019	139.53
Balance at 1 April 2019	139.53
Gain / (loss) included on OCI	
- Net change in fair value (unrealised)	39.01
Balance at 31 March 2020	**178.54**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

33 FINANCIAL RISK MANAGEMENT

The Group has a system-based approach to risk management, anchored to policies and procedures and internal financial controls aimed at ensuring early identification, evaluation and management of key financial risks (such as market risk, credit risk and liquidity risk) that may arise as a consequence of its business operations as well as its investing and financing activities.

Accordingly, the Group's risk management framework has the objective of ensuring that such risks are managed within acceptable and approved risk parameters in a disciplined and consistent manner and in compliance with applicable regulation. It also seeks to drive accountability in this regard.

This Note explains the sources of risk which the entity is exposed to and how the entity manages the risk. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

(A) Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The Group is exposed to credit risk from its operating activities (primarily Trade Receivables) and from its investing activities (primarily Deposits with Banks).

Trade receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers. Customer credit risk is managed by respective segment subject to the Group's policy and procedures which involve credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Group grants credit terms in the normal course of business. The Group's customer base is large and diverse limiting the risk arising out of credit concentration. Further, credit is extended in business interest in accordance with business-specific credit policies. The Group's exposure to trade receivables on the reporting date, net of expected loss provisions, stood at **Rs.10,845.84 Lakhs** as on 31 March 2020 (31 March 2019 - Rs.10,974.55 Lakhs).

All overdue customer balances are evaluated taking into account the age of the dues, specific credit circumstances, the track record of the counterparty etc. On account of adoption of Ind AS 109, the Group uses expected credit loss model to assess the impairment loss.

The movement of the expected loss provision (allowance for bad and doubtful loans and receivables etc.) made by the Group are as under:

Particulars	Expected Loss Provision	
	As at 31 March 2020	As at 31 March 2019
Opening balance	1,006.83	1,464.21
Add: Provision made during the year (net)	136.57	144.59
Less: Utilisation for impairment/de-recognition/reversal of provision	-	(601.97)
Closing balance	1,143.40	1,006.83

Other financial assets

Credit risk from balances with banks, term deposits and investments is managed by Group's finance department. Investments in fixed deposits are held with highly rated banks. Investments of surplus are made within assigned credit limits with approved counterparties who meet the threshold requirements with respect to ratings, financial strength, credit spreads etc. Counterparty credit limits are set to minimize concentration risk and are reviewed periodically by the Board of Directors.

The Group's maximum exposure to credit risk for the components of the Balance Sheet as of 31 March 2020 and 31 March 2019 is the carrying amounts as disclosed in Note 7.1, 7.2, 7.3, 10.3, 10.4 and 10.5.

(B) Liquidity risk

Liquidity risk refers to the risk that the Group fails to honour its financial obligations in accordance with terms of contract. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions.

Management monitors rolling forecasts of the Group's liquidity position (including the undrawn credit facilities extended by banks and financial institutions) and cash and cash equivalents on the basis of expected cash flows. In addition, the Group's

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

The following table shows a maturity analysis of the anticipated cash flows including interest obligations for the Group's non-derivative financial liabilities on an undiscounted basis (all payable within 12 months), which therefore does not differ significantly from their carrying value as the impact of discounting is not significant.

Non-derivative financial liabilities	As at 31 March 2020	As at 31 March 2019
(i) Borrowings including interest obligation (Refer Note 16.1)	923.22	6,376.53
(ii) Trade payables (Refer Note 16.2)	5,800.39	5,645.17
(iii) Lease liabilities (Refer Note 4)	47.03	-
(iv) Other financial liabilities (Refer Note 16.3)	2,346.40	4,212.94
	9,117.04	16,234.64

The Group does not have derivative financial liabilities as at the end of above mentioned reporting periods.

(C) Market risk

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group transacts business in local currency and in foreign currencies (primarily US Dollars). The Group has foreign currency trade receivables and trade payables and is therefore exposed to foreign currency risk. The risk is measured through a forecast of highly probable foreign currency cash flows.

The Group's risk management policy is hedging of net foreign currency exposure at all points in time through foreign exchange forward contracts. The objective of the hedging is to eliminate the currency risk due to volatility in exchange rates.

(a) Foreign Currency Risk Exposure:

The Group's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

	As at 31 March 2020		As at 31 March 2019	
	Financial Assets	Financial Liabilities	Financial Assets	Financial Liabilities
USD	416.54	6.60	381.97	114.65
Others	16.58	-	109.18	-
Total	433.12	6.60	491.15	114.65

Net Exposure to Foreign Currency Risk (Assets - Liabilities)	As at 31 March 2020	As at 31 March 2019
USD	409.94	267.32
Others	16.58	109.18
Total	426.52	376.50

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

(b) Sensitivity

The sensitivity of profit or loss due to changes in the foreign exchange rates arises mainly from foreign currency denominated financial instruments. 10 % appreciation / depreciation of the respective foreign currencies with respect to functional currency (holding all other variables constant) of the Group would result in increase / decrease in the Group's profit before tax as computed below:

	Impact on profit before tax	
	Year ended 31 March 2020	Year ended 31 March 2019
USD sensitivity		
INR/USD -Increase by 10%	40.99	26.73
INR/USD -Decrease by 10%	(40.99)	(26.73)
Other currencies sensitivity		
INR/Others-Increase by 10%	1.66	10.92
INR/Others-Decrease by 10%	(1.66)	(10.92)

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to risk of changes in market interest rates relates primarily to the Group's debt interest obligation. Further the Group engages in financing activities at market linked rates, any changes in the interest rate environment may impact future rates of borrowings.

The exposure of the Group's financial assets and financial liabilities to interest rate risk is as follows:

	As at 31 March 2020		As at 31 March 2019	
	Floating Rate	Fixed Rate	Floating Rate	Fixed Rate
Financial assets	-	174.67	-	162.36
Financial liabilities	923.22	-	3,876.53	2,500.00
	923.22	174.67	3,876.53	2,662.36

Increase/ decrease of 50 basis points (holding all other variables constant) in interest rates at the balance sheet date would result in increase/decrease of **Rs.4.62 Lakhs** (31 March 2019 - Rs.19.38 Lakhs) in interest expense on financial liabilities with floating interest rate and corresponding impact on profit before tax for the year ended 31 March 2020.

The Group invests its surplus funds in fixed deposits. Fixed deposits are held with highly rated banks and have a short tenure and are not subject to interest rate volatility.

(iii) Securities price risk

Securities price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded prices. The Group is not an active investor in equity markets; it continues to hold certain investments in equity for long term value accretion which are accordingly measured at fair value through Other Comprehensive Income. The value of investments in such equity instruments (including quoted and unquoted) as at 31 March 2020 is ₹ **7,544.15 Lakhs** (31 March 2019 - ₹ 14.834.05 Lakhs). Accordingly, fair value fluctuations arising from market volatility is recognised in Other Comprehensive Income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

34 CAPITAL MANAGEMENT

(a) Risk Management

The Group's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of net debt to equity ratio and maturity profile of overall debt portfolio of the Group.

Net debt implies total borrowings of the Group as reduced by Cash and Cash Equivalent and Equity comprises all components attributable to the owners of the Group

The following table summarises the capital of the Company:

	As at 31 March 2020	As at 31 March 2019
Total borrowings (Refer Note 16.1)	923.22	6,376.53
Less: Cash and cash equivalents (Refer Note 10.2)	(704.70)	(500.21)
Net Debt	218.52	5,876.32
Equity (Refer Note 13.l and 13.2)	39,879.07	42,808.30
Net Debt to Equity Ratio	0.01	0.14

Under the terms of the major borrowing facilities, the Group has complied with the financial covenants as imposed by the bank and financial institutions.

No changes were made to the objectives, policies or processes for managing capital during the years ended **31 March 2020** and 31 March 2019.

(b) Dividend on equity shares

	Year ended 31 March 2020	Year ended 31 March 2019
Dividend declared and paid during the year		
Final dividend for the year ended 31 March 2019 of ₹3.00 (31 March 2018 - Rs.3.00) per fully paid share	522.60	522.31
Dividend distribution tax on above	107.42	107.36
	630.02	314.18
Proposed dividend not recognised at the end of the reporting period		
Since year end the directors of the Parent Company have recommended the payment of a final dividend of **Rs.1.50** per fully paid share (31 March 2019 – Rs.3.00). This proposed dividend is subject to the approval of shareholders of the Parent Company in the ensuing annual general meeting. Hence, no liability has been recognised in books.	261.39	522.31
Dividend distribution tax on above	-	107.36
	261.39	629.67

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

35 RELATED PARTY DISCLOSURES

(a) **Where Control exists**

Holding Company

The Group is controlled by the following entity w.e.f 29 March 2017

Name	Type	Place of Incorporation	Ownership Interest	
			As at 31 March 2020	As at 31 March 2019
Composure Services Private Limited (CSPL)	Holding Company	India	59.06%	59.11%

(b) **Joint venture**

Saregama Regency Optimedia Private Limited (SROPL) (under liquidation effective 19 September 2016)

(c) **Key management personnel of the Parent Company and its Holding Company**

Name	Relationship
Mr.Sanjiv Goenka	Chairman and Non-Executive Director of Parent Company
Mr.Vikram Mehra	Managing Director of Parent Company
Mr.G.B.Aayeer	Whole-time Director and CFO of Parent Company upto 28 May 2018
Mrs.Preeti Goenka	Non-Executive Director of Parent Company
Mrs.Sushila Goenka	Non-Executive Director of Parent Company, deceased on 15 July 2018
Mrs.Avarna Jain	Non-Executive Director of Parent Company, w.e.f. 29 May 2018
Mr. Umang Kanoria	Non-Executive Independent Director of Parent Company
Mr.Bhaskar Raychaudhuri	Non-Executive Independent Director of Parent Company, deceased on 20 November 2018
Mr.Santanu Bhattacharya	Non-Executive Independent Director of Parent Company
Mr.Arindam Sarkar	Non-Executive Independent Director of Parent Company
Mr.Noshir Naval Framjee	Non-Executive Independent Director of Parent Company
Mr.Vineet Garg	Chief Financial Officer of Parent Company w.e.f. 29 May 2018
Mrs.Kamana Khetan	Company Secretary of Parent Company w.e.f. 4 August 2017
Mr.Rajendra Dey	Director of Holding Company
Mr.Akhilanand Joshi	Director of Holding Company

(d) **Other Related Parties with whom the Company had transactions**

Name	Relationship
Accurate Commodeal Private Limited (ACPL)	Entity controlled by KMP of the Parent Company w.e.f. 25 March 2020
Saregama India Limited Employees Group Gratuity Fund (Gratuity Fund)	Post Employment Benefit Plan of the Parent Company
Saregama India Limited Superannuation Fund (Superannuation Fund)	Post Employment Benefit Plan of the Parent Company
Saregama Welfare Trust	Share Based Benefits Scheme of the Parent Company w.e.f 8 May 2019

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

35 RELATED PARTY DISCLOSURES *(contd.)*

Transactions with related parties

		Year ended 31 March 2020	Year ended 31 March 2019
A	**Holding Company**		
	Dividend Paid	308.75	308.75
B	**Entity jointly controlled by KMP of the Parent Company**		
	ACPL		
	Royalty expense for brand usage	118.75	-
	Re-imbursement of expenses received	68.75	-
C	**Remuneration to Key management personnel of the Parent Company**		
	Mr.Vikram Mehra	593.14	522.93
	Mr.G.B.Aayeer	-	23.86
	Mr.Vineet Garg	163.95	122.10
	Mrs.Kamana Khetan	14.42	9.98
D	**Sitting fees paid to Key management personnel of Parent Company**		
	Mr.Sanjiv Goenka	1.20	1.15
	Mrs.Preeti Goenka	0.80	0.80
	Mrs.Sushila Goenka	-	0.40
	Mrs.Avarna Jain	0.80	0.60
	Mr.Umang Kanoria	0.50	1.30
	Mr.Bhaskar Raychaudhuri	-	1.30
	Mr.Santanu Bhattacharya	1.75	1.30
	Mr.Arindam Sarkar	0.80	0.85
	Mr.Noshir Naval Framjee	1.75	1.25
E	**Payment to Director of the Parent Company**		
	Rent paid to Mrs.Preeti Goenka	-	0.45
F	**Post employment benefit plan of the Parent Company**		
	Contribution towards Saregama India Limited Employees Group Gratuity Fund	30.00	30.00
	Contribution towards Saregama India Limited Superannuation Fund	14.77	13.22
G	**Other Related Party**		
	Loans given to Saregama Welfare Trust for purchase of treasury shares	767.95	-

Key management personnel compensation*

	Year ended 31 March 2020	Year ended 31 March 2019
Short-term Employee Benefits	731.96	649.58
Post Employment Benefits	29.61	21.33
Other Long- term Benefits	9.94	7.96

* The above compensation does not include share based reversal of Rs.479.11 Lakhs for the year ended 31 March 2020 (charge of Rs.16.31 Lakhs for the year ended 31 March 2019)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

Balances outstanding at the year end

		As at 31 March 2020	As at 31 March 2019
A	**Joint venture company**		
1)	Non-current investments @		
	SROPL	145.97	145.97
2)	Provision for diminution in the value of investments		
	SROPL	145.97	145.97
B	**Entity jointly controlled by KMP of the Company**		
	ACPL		
	Re-imbursement of expenses receivable	56.12	-
C	**Key management personnel of the Parent Company**		
	Remuneration payable #		
	- Mr.Vikram Mehra	103.85	94.41
	- Mr.G.B.Aayeer	-	20.57
	- Mr.Vineet Garg	23.76	17.66
	- Mrs.Kamana Khetan	1.53	1.21
	# The above remuneration payable does not include share based amount of Rs.574.15 Lakhs as on 31 March 2020 (Rs.1,054.25 Lakhs as on 31 March 2019)		
D	**Other Related Party**		
	Saregama Welfare Trust		
	Loans	3.63	-
	@ Gross of Provision.		

36 INTEREST IN OTHER ENTITIES:

(a) Interests in subsidiaries

The Parent Company's subsidiaries at 31 March 2020 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name	Country of incorporation	Proportion of Ownership Interest as at	
		31 March 2020	31 March 2019
Saregama Limited (Formerly known as Saregama Plc.)	United Kingdom	76.41%	76.41%
RPG Global Music Limited	Mauritius	100%	100%
Kolkata Metro Networks Limited	India	100%	100%
Open Media Network Private Limited	India	100%	100%
Saregama FZE	UAE	100%	100%
Saregama Inc (Wholly owned subsidiary of Saregama Limited)	USA	76.41%	76.41%

(b) Interests in joint venture

Set out below is the joint venture of the Group as at 31 March 2020. The entity have share capital consisting solely of equity shares, which are held directly by the Group. The country of incorporation is also its principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Name	Country of incorporation	Proportion of Ownership Interest as at	
		31 March 2020	31 March 2019
Saregama Regency Optimedia Private Limited (SROPL)	India	26%	26%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

The above joint venture (JV) company has been directed to be wound up vide Order dated 19 September 2016 by the Hon'ble High Court at Calcutta and the Official Liquidator attached to this Court has forthwith taken into his custody all the property, effects, books of accounts, other documents and actionable claims. From the aforesaid date, its share in net assets of SROPL has been determined as on that date and shown under Investment accounted for using equity method. Accordingly, this entity has not been considered for consolidation by the Group.

37 COMMITMENTS

Estimated amount of contract remaining to be executed on Capital account and not provided for [net of advances of **Rs.153.87 Lakhs** (31 March 2019 - Rs.70.00 Lakhs)] as at 31 March 2020 are estimated at **Rs.89.33 Lakhs** (31 March 2019- Rs.94.00 Lakhs).

38 CONTINGENT LIABILITIES IN RESPECT OF -

(i) Income Tax Matter

The Group has ongoing disputes with income tax authorities in India. The disputes relate to tax treatment of certain expenses claimed as deductions, computation or eligibility of allowances. The Group has contingent liability of **Rs.2,090.00 Lakhs** as at 31 March 2020 (31 March 2019 - Rs.1,986.02 Lakhs) in respect of tax demands which are being contested by the Group based on the management evaluation and advice of tax consultants.

(ii) Indirect Tax Matter

The Group has ongoing disputes with Indian tax authorities mainly relating to treatment of characterisation and classification of certain items. The Group has demands amounting to **Rs.513.09 Lakhs** as at 31 March 2020 (31 March 2019 - Rs.889.99 Lakhs) relating to Excise duty, Custom duty, Service tax, Sales tax/VAT and Other indirect taxes from respective indirect tax authorities which are being contested by the Group based on the management evaluation and advice of tax consultants.

(iii) Copyright Matter

The Group has received legal notices of claims / lawsuits filed against it relating to infringement of copyrights in relation to the music used / other matters. Based on management evaluation and advice from legal solicitors, **Rs.39.03 Lakhs** as at 31 March 2020 (31 March 2019 - Rs.39.03 Lakhs) is considered as contingent on account of such claims / law suits.

(iv) There has been a Supreme Court Judgement dated 28 February 2019, relating to components of salary structure that need to be taken into account while computing the contribution to provident fund under the EPF Act. There are interpretative aspects related to the judgement including the effective date of application. The Group will continue to assess any further developments in this matter for the implications on financial statements, if any.

(v) Other matters including claims related to property related demands **Rs.3,628.09 Lakhs** as at 31 March 2020 (31 March 2019 - Rs.3,017.79 Lakhs).

In respect of above, it is not practicable for the Group to estimate the timings of cash outflows, if any, pending resolution of the respective proceedings. The Group does not expect any reimbursements in respect of the above.

39 THE GROUP HAS FOLLOWING UN-HEDGED EXPOSURES IN FOREIGN CURRENCIES

	Year ended 31 March 2020		Year ended 31 March 2019	
	Foreign currency in Lakhs	Amount in Rs. Lakhs	Foreign currency in Lakhs	Amount in Rs. Lakhs
Trade Receivables	USD 5.52	416.54	USD 5.52	381.97
Trade Receivables	-	-	SAR 0.04	0.75
Trade Receivables	-	-	LKR 246.28	97.23
Trade Receivables	MYR 0.03	0.53	MYR 0.06	0.93
Trade Receivables	-	-	QAR 0.21	3.99
Trade Receivables	AED 0.32	6.60	AED 0.17	3.16
Trade Receivables	SGD 0.01	0.45	SGD 0.01	0.59
Trade Receivables	-	-	OMR 0.01	2.53
Trade Receivables	NPR 14.29	9.00	-	-
Trade Payables	USD 0.14	6.60	USD 1.65	114.65

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

40 BASIC AND DILUTED EARNINGS PER SHARE:

	Year ended 31 March 2020	Year ended 31 March 2019
Number of equity shares at the beginning of the year	1,74,10,492	1,74,10,492
Number of equity shares at the end of the year	1,74,26,012	1,74,10,492
Weighted average number of equity shares outstanding during the year (A)	1,74,21,054	1,74,10,492
Weighted average number of equity shares held in controlled trust (B)	50,285	-
Weighted average number of equity shares for computing basic earnings per share [C= (A-B)]	1,73,70,769	1,74,10,492
Weighted average number of potential equity shares on account of employee stock options (D)	26,385	14,121
Weighted average number of equity shares for computing diluted earnings per share [E= (C+D)]	1,73,97,154	1,74,24,613
Nominal value of each equity share (Rs.)	10	10
Profit after tax available for equity shareholders (Rs.in Lakhs) [F]	4,393.84	5,432.66
Basic earnings per share (Rs.) [F/C]	25.29	31.20
Diluted earnings per share (Rs.) [F/E]	25.26	31.18

41 SEGMENT INFORMATION

(a) **Description of segments and principal activities**

The Group's Chief Operating Decision Maker ('CODM') examines the Group's performance and has identified three reportable segments of its business.

Music : The Group is primarily engaged in the business of manufacturing and sale of Music storage device viz. Carvaan, Music Card etc. and dealing with related music rights.

Film/TV Serials : The Group is also engaged in production and sale/telecast/broadcast of films/TV Serials, pre-recorded programmes and dealing in film rights.

Publication : Group also publishes weekly current affairs magazine 'OPEN' through its publication business.

The segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statement. Also the group's borrowings (including finance costs and interest income), income taxes and investments are managed at head office and are not allocated to operating segments.

Segment Revenue is measured in the same way as in the Statement of Profit and Loss.

Segment assets and liabilities are measured in the same way as in the consolidated financial statements. These assets are allocated based on the operations of the segment and the physical location of the assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

(b) **Information about reportable segments**

Particulars	Year ended 31 March 2020				Year ended 31 March 2019			
	Music	Films/TV Serials	Publication	Total	Music	Films/TV Serials	Publication	Total
Segment revenue								
- External sales and licence fees	44,434.49	7,025.00	688.00	52,147.49	48,968.55	4,764.59	738.84	54,471.98
- Intersegment sales and licence fees	-	-	-	-	-	-	-	-
Total segment revenue	44,434.49	7,025.00	688.00	52,147.49	48,968.55	4,764.59	738.84	54,471.98

Particulars	Year ended 31 March 2020				Year ended 31 March 2019			
	Music	Films/TV Serials	Publication	Total	Music	Films/TV Serials	Publication	Total
Segment result	9,055.51	915.11	(1,291.80)	8,678.82	12,278.02	(32.37)	(1,029.62)	11,216.03
Reconciliation to profit before tax								
Finance costs				(671.47)				(656.03)
Other unallocated expenditure (net of unallocated income)				(1,972.58)				(2,092.03)
Profit before taxation				6,034.77				8,467.97
Taxes				(1,685.32)				(3,035.31)
Profit after Taxes				4,349.45				5,432.66

Particulars	Year ended 31 March 2020					Year ended 31 March 2019				
	Music	Films/TV Serials	Publication	Unallocated	Total	Music	Films/TV Serials	Publication	Unallocated	Total
Segment depreciation and amortisation	372.75	66.54	18.89	5.58	463.76	287.19	14.52	30.80	-	332.51
Non cash expenses*					463.76					332.51

*There are no other significant non-cash expenditure other than depreciation and amortisation

Particulars	As at 31 March 2020				As at 31 March 2019			
	Music	Films/ TV Serials	Publication	Total	Music	Films/TV Serials	Publication	Total
Segment assets	42,878.18	5,489.14	466.19	48,833.51	45,015.30	5,340.33	517.00	50,872.63
Reconciliation to total assets								
Unallocated assets				13,141.67				20,007.55
Total assets				61,975.18				70,880.18

Particulars	Year ended 31 March 2020					Year ended 31 March 2019				
	Music	Films/TV Serials	Publication	Unallocated	Total	Music	Films/TV Serials	Publication	Unallocated	Total
Addition to non current assets other than financial assets	734.19	5.42	1.07	125.94	866.62	2,108.92	6.76	3.15	-	2,118.83

Particulars	As at 31 March 2020				As at 31 March 2019			
	Music	Films/TV Serials	Publication	Total	Music	Films/TV Serials	Publication	Total
Segment liabilities	14,373.45	826.56	297.86	15,497.87	12,644.74	824.16	326.34	13,795.24
Reconciliation to total liabilities								
Unallocated liabilities				6,373.38				14,014.81
Total liabilities				21,871.25				27,810.05

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

(c) **Additional information by geographies**

The amount of revenue from external customers broken down by the location of the customers is shown in table below-

Revenue from external customers	Year ended 31 March 2020	Year ended 31 March 2019
India	41,429.65	46,108.15
Other Countries	10,717.84	8,363.83
Total	52,147.49	54,471.98

The total of segment assets broken down by location of the assets is shown below-

Non-current assets*	As at 31 March 2020	As at 31 March 2019
India	22,156.26	21,680.47
Other Countries	-	-
Total	22,156.26	21,680.47

* Excluding financial instruments, etc. as defined under Indian Accounting Standard (Ind AS) 108 on 'Operating Segment' notified in the Act.

(d) **Revenue from major customers**

The Group is not reliant on revenues from transactions with any single external customer and does not receive 10% or more of its revenues from transactions with any single external customer.

42 **Additional information pursuant to paragraph 2 of Division II of schedule III to the Companies Act 2013**

Name of the Entity	As at 31 March 2020 Net Assets, i.e. total assets minus total liabilities		2019-20 Share in Profit or Loss		2019-20 Share in Other Comprehensive Income		2019-20 Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount	As % of Consolidated profit or loss	Amount	As % of Consolidated Other comprehensive income	Amount	As % of Consolidated Total comprehensive income	Amount
Parent								
Saregama India Limited	103.18%	41,378.51	112.64%	4,899.27	81.83%	(5,321.03)	19.59%	(421.76)
Subsidiaries								
Indian								
Kolkata Metro Networks Limited	3.53%	1,415.02	1.30%	56.44	18.37%	(1,194.43)	52.86%	(1,137.99)
Open Media Network Private Limited	0.51%	205.62	-6.46%	(280.94)	0.07%	(4.59)	13.26%	(285.53)
Foreign								
RPG Global Music Limited	-1.11%	(445.46)	-0.04%	(1.90)	-	-	0.09%	(1.90)
Saregama Limited (Formerly Saregama Plc.)	-1.45%	(581.42)	-3.31%	(143.80)	-0.37%	24.02	5.55%	(119.78)
Saregama FZE	0.28%	113.01	-2.89%	(125.72)	0.21%	(13.59)	6.47%	(139.31)
Non-Controlling Interest	0.56%	224.86	-1.02%	(44.39)	-0.11%	7.42	1.73%	(36.97)
Adjustment arising out of consolidation	-5.50%	(2,206.21)	-0.22%	(9.51)	-	-	0.45%	(9.51)
Total	100%	40,103.93	100%	4,349.45	100%	(6,502.20)	100%	(2,152.75)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

43 On 2 April 2018, there was a fire in the godown (of third party service provider) damaging stocks of the Parent Company. As per the best estimate of the management, the Parent Company had recognised insurance claim receivable as "Other Income" and the corresponding loss against of such stocks was charged off. The Parent Company has subsequently realised Rs.3,218.72 Lakhs from the insurance company on 12 April 2019 against the said claim. The impact of the above has been given in the segments results under Music segment.

44 Previous years figures have been regrouped/reclassified to conform to current year's presentation.

As per our report of even date attached

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

Jayanta Mukhopadhyay
Partner
Membership No.: 055757
UDIN: 20055757AAAABE5687

Place: Kolkata
Date: 05 June 2020

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

Sanjiv Goenka
Chairman
DIN: 00074796

Vikram Mehra
Managing Director
DIN: 03556680

Vineet Garg
Chief Financial Officer

Kamana Khetan
Company Secretary
ACS: 35161

Place: Kolkata
Date: 05 June 2020

Place: Kolkata
Date: 05 June 2020

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2020

(Amount in Rupees lakhs, except otherwise stated)

	Year ended 31 March 2020		Year ended 31 March 2019	
A. Cash Flow from Operating Activities				
Profit before tax		6,034.77		8,467.97
Adjustments for:				
Depreciation and amortisation expense	463.76		332.51	
Allowance for expected credit loss	159.98		(415.67)	
Finance costs	671.47		656.03	
Liabilities/Provisions no longer required written back	(328.09)		(1,134.80)	
Provision for advances no longer required written back	-		(9.35)	
Interest income	(378.82)		(879.97)	
Share based payment expense	21.78		3.05	
Bad debts/advances written off	5.03		24.81	
Loss on disposal of property, plant and equipment	1.81		0.21	
Profit on sale of property, plant and equipment	(0.12)		(0.88)	
Profit on sale of Investment in Mutual Fund	(0.12)		(0.43)	
Exchange differences on translation of foreign operations	17.84		65.83	
Net gain on unrealised foreign currency transactions/ translation	(78.97)		-	
Dividend income from equity investments designated at FVOCI	(309.03)		(270.40)	
		246.52		(1,629.06)
Operating profit before Working Capital Changes		6,281.29		6,838.91
Changes in working capital				
Decrease/(Increase) in Other current assets, Loans, Other non-current assets	2,171.94		(5,198.56)	
Increase in Other financial liabilities, Provisions, Other current liabilities	1,042.26		2,154.69	
Increase in Trade payables	233.98		1,739.67	
Increase in Employee benefit obligations	105.50		84.37	
Decrease/(Increase) in Trade receivables	63.63		(3,238.96)	
Decrease/(Increase) in Inventories	266.00		(4,698.37)	
		3,883.31		(9,157.16)
Cash generated from / (used in) operations		10,164.60		(2,318.25)
Income taxes paid (net of refund)		(2,212.87)		(1,254.57)
Net cash generated from / (used in) Operating Activities (A)		7,951.73		(3,572.82)
B. Cash Flow from Investing Activities				
Purchase of property, plant and equipment and intangible assets	(827.80)		(1,210.45)	
Sale of property, plant and equipment	0.12		0.80	
Interest received	28.38		303.90	
Dividend income from equity investments designated at FVOCI	309.03		270.40	
Investment in Mutual funds	(150.00)		(200.00)	
Proceeds from sale of Investment in Mutual funds	150.12		200.43	
Fixed deposits placed with banks (with maturity more than 3 months)	(12.06)		-	
Net cash used in Investing Activities (B)		(502.21)		(634.92)

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2020 *(contd.)*

(Amount in Rupees lakhs, except otherwise stated)

	Year ended 31 March 2020		Year ended 31 March 2019	
C. Cash Flow from Financing Activities				
(Repayment of) / Proceeds from Short term borrowings	(5,453.31)		4,789.24	
Proceeds form issue of Share capital	1.55		-	
Share premium received on issue of shares	19.72		-	
Purchase of Investment by Saregama Welfare Trust (Treasury Shares)	(764.32)		-	
Repayment of principal portion of lease liabilities	(78.91)		-	
Interest paid on lease liabilities	(9.02)		-	
Dividend paid	(522.60)		(515.30)	
Dividend distribution tax paid	(107.42)		(107.36)	
Interest paid on others	(332.29)		(380.81)	
Net cash (used in) / generated from Financing Activities (C)		(7,246.60)		3,785.77
Net increase / (decrease) in cash and cash equivalents (A+B+C)		202.92		(421.97)
Cash and Cash Equivalents at the beginning of the year (Refer Note 10.2)		500.21		921.71
Effect of exchange rate on translation of foreign currency cash and cash equivalents		1.57		0.47
Cash and Cash Equivalents at the end of the year (Refer Note 10.2)		704.70		500.21

Notes:

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

2 Previous years figures have been regrouped/reclassified to conform to current year's presentation.

3 Reconciliation of liabilities from financing activities

	Balance as at 1 April 2019	Cash flows	Non-cash changes	Balance as at 31 March 2020
Borrowings	6,376.53	(5,453.31)	-	923.22
Total liabilities from financing activities	6,376.53	(5,453.31)	-	923.22

	Balance as at 1 April 2018	Cash flows	Non-cash changes	Balance as at 31 March 2019
Borrowings	1,587.29	4,789.24	-	6,376.53
Total liabilities from financing activities	1,587.29	4,789.24	-	6,376.53

The accompanying notes 1 to 44 are an integral part of these consolidated financial statements

As per our report of even date attached

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

Jayanta Mukhopadhyay
Partner
Membership No.: 055757
UDIN: 20055757AAAABE5687

Place: Kolkata
Date: 05 June 2020

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

Sanjiv Goenka
Chairman
DIN: 00074796

Vikram Mehra
Managing Director
DIN: 03556680

Vineet Garg
Chief Financial Officer

Kamana Khetan
Company Secretary
ACS: 35161

Place: Kolkata
Date: 05 June 2020

Place: Kolkata
Date: 05 June 2020

AOC-1

Annexure 1

(Prusuant to first proviso to sub-section (3) of section 129 read with rule of Companies (Accounts) Rules,2014)
Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

Part "A": Subsidiaries

(Amount in Rupees lakhs, except otherwise stated)

Name of the subsidiary	Saregama Limited (Formerly Known as Saregama Plc), United Kingdom	Saregama Inc, United States of America ##	Saregama FZE, Dubai	RPG Global Music Limited, Mauritius	Kolkata Metro Networks Limited, India	Open Media Network Private Limited, India
1. Reporting period for the subsidiary concerned, if different from the holding company's reporting period	No	No	No	No	No	No
2. Reporting currency and exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	GBP #	USD *	AED ***	INR	INR	INR
3. Share capital	69.24	**	310.62	1,026.20	1,705.00	7,082.70
4. Other Equity / Reserves & surplus	(171.17)	(254.63)	(197.61)	(1,471.66)	(289.98)	(6,877.09)
5. Total assets	806.09	764.16	240.03	3.02	1,669.56	501.03
6. Total Liabilities (excluding Capital and Reserves)	853.13	1,099.64	127.02	448.48	254.54	295.41
7. Details of Investment (except in case of investment in the Subsidiaries)	-	-	-	-	1,358.57	-
8. Turnover	1,122.25	1,210.49	136.31	-	129.26	1,828.84
9. Profit /(Loss) before taxation	162.79	(350.97)	(125.73)	(1.90)	59.60	(278.48)
10. Provision for taxation	-	-	-	-	3.16	2.47
11. Profit after taxation	162.79	(350.97)	(125.73)	(1.90)	56.44	(280.95)
12. Proposed Dividend	-	-	-	-	-	-
13. % of shareholding	76.41%	76.41%	100%	100%	100%	100.00%

# GBP exchange rates as at year end considered for conversion:
GBP1 = Rs.91.62 for Asset (Closing Buying Rate), Fixed Asset at Historical cost
GBP1 = Rs.94.65 for Liabilites(Closing Selling Rate), Share Capital and Share Premium at Historical cost
GBP1 = Rs.88.45 for Income (Average Buying Rate)
GBP1 = Rs.91.40 for Expense (Average Selling Rate)
*** AED exchange rates as at year end considered for conversion:
AED1 = Rs.19.94 for Asset (Closing Buying Rate),
AED1 = Rs.21.17 for Liabilites(Closing Selling Rate), Share Capital at Historical cost
AED1 = Rs.18.69 for Income (Average Buying Rate)
AED1 = Rs.19.87 for Expense (Average Selling Rate)
* Rate Conversion from GBP to USD is 1.2344
** Amount is below the rounding off norm adopted by the Company
Step down subsidiary of the Parent company through Saregama Limited

Part "B": Associates and Joint Ventures

(Amount in Rupees lakhs, except otherwise stated)

Name of Associates/Joint Ventures	Saregama Regency Optimedia Private Limited
1. Latest audited Balance Sheet Date	*
2. Shares of Associate/Joint Ventures held by the company on the year end	
No.	*
Amount of Investment in Associates/Joint Venture	*
Extend of Holding %	*
3. Description of how there is significant influence	*
4. Reason why the associate/joint venture is not consolidated	*
6. Networth attributable to Shareholding as per latest audited Balance Sheet	*
7. Profit / Loss for the year	
i. Considered in Consolidation	*
ii. Not Considered in Consolidation	*

* Saregama Regency Optimedia Private Limited (SROPL), a joint venture of the Company had been directed to be wound up vide Order dated 19 September 2016 by the Hon'ble High Court at Calcutta and the Official Liquidator attached to this Court has forthwith taken into his custody all the property, effects, books of accounts, other documents and actionable claims. Accordingly, the financial statements of SROPL has been prepared up to the date, preceding the date of Court Order.

In view of the above, joint venture is not consolidated and salient features of the financial statement of joint venture is not disclosed.

	Sanjiv Goenka	Vikram Mehra	Vineet Garg	Kamana Khetan
Kolkata,	Chairman	Managing Director	Chief Financial Officer	Company Secretary
5 June 2020	DIN: 00074796	DIN: 03556680		ACS: 35161

NOTICE

SAREGAMA INDIA LIMITED

CIN: L22213WB1946PLC014346

Regd. Office: 33, Jessore Road, Dum Dum, Kolkata – 700028.

Tel: 033-2551 2984/4773, E-mail: co.sec@saregama.com, Web: www.saregama.com

Notice to the Members

Notice is hereby given that the Seventy-Third Annual General Meeting("AGM") of the Members of Saregama India Limited will be held on Tuesday, August 11, 2020 at 11:00 A.M. IST through Video Conferencing (VC)/ Other Audio Visual Means (OAVM), to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt:
   (a) the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2020, together with the Reports of the Board of Directors and Auditors thereon.
   (b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2020 and the Report of Auditors thereon.
2. To declare a final dividend of ₹ 1.50 per equity share for the year ended March 31, 2020.
3. To appoint Dr. Sanjiv Goenka (DIN: 00074796), who retires by rotation and being eligible, offers himself for re-appointment as a Director.

SPECIAL BUSINESS

4. **Ratification of remuneration of Cost Auditor**

   To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the consent of the Company be and is hereby accorded for the ratification of appointment of M/s. Shome & Banerjee, Cost Accountants (Firm Registration No. 000001), being the Cost Auditors appointed by the Board of Directors of the Company ('the Board') for the Financial Year ending March 31, 2021 with a remuneration of ₹ 1,00,000/- (Rupees One Lakh only) plus taxes and reimbursement of travelling and out of pocket expense.

   RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

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

   To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

   "**RESOLVED THAT** pursuant to recommendation of the Nomination and Remuneration Committee, and approval of the Board of Directors of the Company in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and in partial modification of the resolution passed by the Members on July 19, 2019 for the appointment of Mr. Vikram Mehra (DIN: 03556680) as the Managing Director of the Company, consent of the Company be and is hereby accorded for revision in the salary paid/payable to Mr. Vikram Mehra (DIN: 03556680) w.e.f. July 1, 2019, as detailed in the explanatory statement forming part of this notice.

   RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper and expedient to give effect to this resolution."

6. **Re-appointment of Mr. Umang Kanoria (DIN: 00081108) as a Non-Executive Independent Director of the Company for a period of 5 years**

   To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

   "**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013("the Act") read with Schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereof, for

NOTICE (contd.)

the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, Mr. Umang Kanoria (DIN: 00081108), who holds office of Non-Executive Independent Director up to 27th September 2020 and who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("SEBI LODR Regulations") and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member, signifying his intention to propose Mr. Kanoria's candidature for the office of Director, be and is hereby re-appointed as a Non-Executive Independent Director of the Company, not liable to retire by rotation, for a second term of five consecutive years commencing from 28th September 2020 upto 27th September 2025."

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any powers conferred herein, to any committee of Directors, with power to further delegate to any executives / officers of the Company to do all such acts, deeds, matters and things and also to execute such documents, writings, etc., as may be necessary in this regard."

7. **Re-appointment of Mr. Santanu Bhattacharya (DIN: 01794958) as a Non-Executive Independent Director of the Company for a period of 5 years**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013("the Act") read with Schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, Mr. Santanu Bhattacharya (DIN: 01794958), who holds office of Non-Executive Independent Director up to 21st December 2020 and who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI LODR Regulations and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member, signifying his intention to propose Mr. Bhattacharya's candidature for the office of Director, be and is hereby re-appointed as a Non-Executive Independent Director of the Company, not liable to retire by rotation, for a second term of five consecutive years commencing from 22nd December 2020 upto 21st December 2025."

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any powers conferred herein, to any committee of Directors, with power to further delegate to any executives / officers of the Company to do all such acts, deeds, matters and things and also to execute such documents, writings, etc., as may be necessary in this regard."

8. **Re-appointment of Mr. Arindam Sarkar (DIN: 06938957) as a Non-Executive Independent Director of the Company for a period of 5 years**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013("the Act") read with Schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, Mr. Arindam Sarkar (DIN: 06938957), who holds office of Non-Executive Independent Director up to 21st December 2020 and who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of SEBI LODR Regulations and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member, signifying his intention to propose Mr. Sarkar's candidature for the office of Director, be and is hereby re-appointed as a Non-Executive Independent Director of the Company, not liable to retire by rotation, for a second term of five consecutive years commencing from 22nd December 2020 upto 21st December 2025."

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any powers conferred herein, to any committee of Directors, with power to further delegate to any executives / officers of the Company to do all such acts, deeds, matters and things and also to execute such documents, writings, etc., as may be necessary in this regard."

9. **Appointment of Ms. Kusum Dadoo (DIN: 06967827) as a Non-Executive Independent Woman Director**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** in terms of the applicable provisions of Section 149(1), 152, 161 and other relevant provisions, if any, of the Companies Act, 2013 ("the Act"), Regulation 17 of SEBI LODR Regulations and in accordance with the Articles of Association

NOTICE (contd.)

of the Company and pursuant to the recommendation by the Nomination and Remuneration Committee of Directors, Ms. Kusum Dadoo (DIN: 06967827) who was appointed as an Additional Non-Executive Independent Woman Director of the Company by the Board of Directors with effect from June 05, 2020 and who has submitted a declaration that she meets the criteria of independence as per the provisions of the Act and the SEBI LODR Regulations and who holds office until the date of the ensuing Annual General Meeting, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act signifying his intention to propose Ms. Kusum Dadoo as a candidate for the office of a Director of the Company, be and is hereby appointed as a Non-Executive Independent Woman Director of the Company to hold office for five (5) consecutive years w.e.f. June 05, 2020 to June 04, 2025, not liable to retire by rotation."

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any powers conferred herein, to any committee of Directors, with power to further delegate to any executives / officers of the Company to do all such acts, deeds, matters and things and also to execute such documents, writings, etc., as may be necessary in this regard."

10. **Payment of Commission to Non-Executive Directors**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 197 of the Companies Act, 2013, as amended and other applicable provisions, if any, and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Articles of Association of the Company, Regulation 17(6) (ca) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended, and subject to such permissions, sanctions, and approvals if necessary, consent of the Company be and is hereby accorded for payment of commission to Non-Executive Directors, who are neither in the whole time employment of the Company nor its Managing Director at a rate not exceeding three percent of the net profits of the Company computed in the manner stated in Section 198 read with Section 197(1) of the Companies Act, 2013 commencing from financial year 2020-21 and for the subsequent years to be distributed amongst the said Directors in such manner as the Board of Directors of the Company ("the Board") and/or Nomination and Remuneration Committee constituted by the Board may from time to time determine and that the said commission be paid in addition to the fee payable to the aforesaid Directors for attending the meetings of the Board or any Committee thereof.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things and give such directions as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard.

RESOLVED FURTHER THAT the Company Secretary be and is hereby authorized to include in the Notice convening the forthcoming Annual General Meeting of the Members of the Company a Special Resolution for the above purpose and be further authorized to take such other steps as may be required under Section 197 of the Act."

Registered Office:
33, Jessore Road, Dum Dum
Kolkata-700 028

By Order of the Board

Dated: June 05, 2020
Place: Kolkata
CIN: L22213WB1946PLC014346

Kamana Khetan
Company Secretary

NOTES:

1. The relevant Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 ('Act'), in respect of the Special Business under Item Nos. 4 to 10 set out above and details as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, as amended ('SEBI LODR Regulations'), entered with the Stock Exchanges and Secretarial Standard on General Meetings (SS-2) in respect of the Directors seeking re-appointment at this Annual General Meeting is annexed hereto as "**Annexure A**". An Explanatory Statement pursuant to Section 102 of the Act, setting out material facts relating to Special Businesses to be transacted at the Annual General Meeting is annexed hereto. The Board of Directors of the Company at its Meeting held on June 5, 2020 considered that the special businesses under Item No. 4 to 10, being considered unavoidable, be transacted at the 73rd AGM of the Company.

2. In view of the continuing restrictions on the movement of people at several places in the country, due to outbreak of COVID-19, the Ministry of Corporate Affairs (MCA), vide its General Circular No. 20/2020 dated 5th May, 2020 read with General Circular No. 14/2020 dated 8th April, 2020 and General Circular No. 17/2020 dated 13th April, 2020 and other applicable circulars

NOTICE (contd.)

issued by the Securities and Exchange Board of India (SEBI), has allowed the Companies to conduct the AGM through Video Conferencing (VC) or Other Audio Visual Means (OAVM) during the calendar year 2020. In accordance with, the said circulars of MCA, SEBI and applicable provisions of the Act and SEBI LODR Regulations the 73rd AGM of the Company shall be conducted through VC/ OAVM. National Securities Depositories Limited ('NSDL') will be providing facility for voting through remote e-voting, for participation in the AGM through VC / OAVM facility and e-voting during the AGM. The procedure for participating in the meeting through VC / OAVM is explained in the below paragraphs.

3. As the AGM shall be conducted through VC / OAVM, the facility for appointment of Proxy by the Members is not available for this AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.

4. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.

5. As per Regulation 40 of SEBI LODR Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, MCS Share Transfer Agent Limited, 383, Lake Gardens, 1st Floor, Kolkata – 700045 (Contacts: Mr. P. Basu / Mr. S. Ghosh / Mr. P. Mukherjee), Telephone: (033) 4072 4051 – 53, Fax: (033) 4072 4050, Email: mcssta@rediffmail.com for assistance in this regard.

6. Members are requested to send all communications relating to shares to the Registrar and Share Transfer Agents of the Company at the following address:

   383, Lake Gardens, 1st Floor, Kolkata – 700045

7. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, August 5, 2020, to Tuesday, August 11, 2020 (both days inclusive).

8. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their demat accounts dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.

9. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form or transferees of Physical Shares must furnish their self-attested copy of the PAN card to the Company/Registrar and Share Transfer Agents.

10. To support the 'Green Initiative', Members who have not registered their e-mail addresses are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

11. Members may note that the Annual Report for the financial year 2019-2020 and the Notice of the 73rd AGM will be available on the website of the Company www.saregama.com, on the website of Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited and on the website of NSDL at www.evoting.nsdl.com.

PROCEDURE FOR INSPECTION OF DOCUMENTS

12. The Annual Report for the financial year 2019-2020, the Notice of the 73rd AGM and all documents referred to in the Notice and the Explanatory Statement will be available for inspection on the "Investor Relations" segment on the website of the Company www.saregama.com.

13. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of contracts or arrangements in which the Directors are interested will be available for inspection on the "Investor Relations" segment on the website of the Company www.saregama.com.

14. During the AGM, the Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Act, the Register of Contracts or arrangements in which Directors are interested under Section 189 of the Act and the Certificate from Auditors of the Company certifying that the ESOP and SAR Schemes of the Company are being implemented in accordance with, the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 shall be available for inspection upon login at NSDL e-voting system at https://www.evoting.nsdl.com.

NOTICE (contd.)

ELECTRONIC DISPATCH OF ANNUAL REPORT AND PROCESS FOR REGISTRATION OF EMAIL ID FOR OBTAINING COPY OF ANNUAL REPORT:

15. In accordance with the General Circular No. 20/2020 dated 5th May, 2020 issued by MCA and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 issued by SEBI, owing to the difficulties involved in dispatching of physical copies of the financial statements (including Report of Board of Directors, Auditor's report or other documents required to be attached therewith), such statements including the Notice of AGM are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s).

16. Members holding shares in physical mode and who have not updated their email addresses with the Company are requested to update their email addresses by writing to the Company at co.sec@saregama.com along with the copy of the signed request letter mentioning the name and address of the Member, self-attested copy of the PAN card, and self-attested copy of any document (eg.: Driving License, Election Identity Card, Passport) in support of the address of the Member. Members holding shares in dematerialised mode are requested to register / update their email addresses with the relevant Depository Participants. In case of any queries / difficulties in registering the e-mail address, Members may write to co.sec@saregama.com.

PROCEDURE FOR JOINING THE AGM THROUGH VC / OAVM:

17. Members are requested to join the AGM on Tuesday, August 11, 2020 through VC/OAVM mode latest by 10.45 a.m. IST by clicking on the link https://www.evoting.nsdl.com/ under members login by using the remote evoting credentials and following the procedures mentioned later in these Notes. The VC/OAVM shall be kept open for the members from 10:30 a.m. IST and may be closed at 11:30 a.m. IST, or, soon thereafter.

18. The facility of attending the AGM will be made available to 1,000 members on a first-cum-first-served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

19. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.

20. Institutional Members are encouraged to attend and vote at the AGM through VC / OAVM. In case any Institutional Members facing issues for participating in AGM, they can write to co.sec@saregama.com

21. Please note that participants connecting from Mobile devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio / Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

PROCEDURE TO RAISE QUESTIONS / SEEK CLARIFICATIONS WITH RESPECT TO ANNUAL REPORT:

22. Members who would like to express any views, or, during the AGM ask questions may do so in advance by sending in writing their views or questions, as may be, along with their name, DP ID and Client ID number/folio number, email id, mobile number, to reach the Company's email address at co.sec@saregama.com latest by Thursday, August 6, 2020 by 5 p.m. IST.

23. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

24. When a pre-registered speaker is invited to raise at the AGM his/her questions already emailed in advance as requested in point 22 above, but he / she does not respond, the turn will go to the next pre-registered speaker to raise his/her questions. Accordingly, all speakers are requested to get connected to a device with a video/ camera along with stable internet speed.

25. The Company reserves the right to restrict the number of questions/speakers, as appropriate for smooth conduct of the AGM.

PROCEDURE FOR REMOTE E-VOTING AND E-VOTING DURING THE AGM:

26. Pursuant to Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of SEBI LODR Regulations, the Company is pleased to provide the facility to Members to exercise their right to vote on the resolutions proposed to be passed at AGM by electronic means.

27. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on August 4, 2020, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. A person who is not a Member as on the cut-off date should treat this Notice of AGM for information purpose only.

NOTICE (contd.)

28. Members may cast their votes on electronic voting system from any place (remote e-voting). The remote e-voting period will commence at 9.00 a.m. (IST) on Saturday, August 8, 2020 and will end at 5.00 p.m. IST on Monday, August 10, 2020. In addition, the facility for voting through electronic voting system shall also be made available during the AGM. Members holding shares in physical form are requested to access the remote e-voting facility provided by the Company through NSDL e-voting system at https://www.evoting.nsdl.com/.

29. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned below for remote e-voting.

30. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

31. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

32. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

PROCEDURE FOR REMOVE E-VOTING AND E-VOTING

33. The details of the process and manner for remote e-voting are explained herein below:

    The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

    Step 1: Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/

    Step 2: Cast your vote electronically on NSDL e-Voting system.

    Details on Step 1 is mentioned below:

    How to Log-in to NSDL e-Voting website?

    1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

    2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.

    3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

       Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

    4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12********** then your user ID is 12**********
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

    5. Your password details are given below:

       a) If you are already registered for e-Voting, then you can user you existing password to login and cast your vote.

NOTICE (contd.)

b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

c) How to retrieve your 'initial password'?

(i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**

6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:

   Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   "**Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

   Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

3. Select "EVEN" of company for which you wish to cast your vote.

4. Now you are ready for e-Voting as the Voting page opens.

5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

6. Upon confirmation, the message "Vote cast successfully" will be displayed.

7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to goenka.mohan@hotmail.com with a copy marked to evoting@nsdl.co.in.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password.

NOTICE (contd.)

In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request to Ms. Pallavi Mhatre at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice :

1. In case shares are held in physical mode, please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to co.sec@saregama.com
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to co.sec@saregama.com.
3. Alternatively member may send an e-mail request to evoting@nsdl.co.in for obtaining User ID and Password by providing the details mentioned in Point (1) or (2) as the case may be.

DIVIDEND RELATED INFORMATION

34. Dividend to be declared at this Meeting, will, subject to the provisions of section 126 of the Act, be deposited with the Bank and dividend will be paid not later than 30 days from the date of declaration of dividend to those Members who hold shares in physical form and whose names appear on the Register of Members on August 4, 2020 or to their mandates. In respect of shares held in electronic form as on the Record Date of August 4, 2020, 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.

35. Pursuant to Finance Act, 2020, dividend income will be taxable in the hands of the shareholders w.e.f. 1st April 2020 and the Company is required to deduct tax at source ("TDS") from dividend paid to the Members at prescribed rates in the Income Tax Act, 1961 ("the IT Act"). In general, to enable compliance with TDS requirements, Members are requested to complete and / or update their Residential Status, PAN, Category as per the IT Act with their Depository Participants or in case shares are held in physical form, with the Company by sending email to the Company's email address at dividend2020@rpsg.in. For details, Members may refer to the "Communication on TDS on Dividend Distribution" appended to this Notice of 73rd AGM.

36. **UNCLAIMED DIVIDEND**: Details of dividend unclaimed by Members for the past years which have not yet been transferred to the Central Government have been uploaded on the Company's website **www.saregama.com**. Members are advised to view the lists and lodge their claim with our Registrars & Share Transfer Agents for dividend which have remained unclaimed.

37. **TRANSFER TO IEPF:** Dividend not claimed within 7 years will be transferred to the Investor Education and Protection Fund (IEPF). All unpaid / unclaimed dividend/ shares in respect of such unclaimed dividends for the Financial Year ended 31st March, 2013 is due to be transferred to the aforesaid account on or before 30th September, 2020. Claims for payment of such dividend should, therefore be lodged to the Company or to its Registrar and Share Transfer Agents, MCS Share Transfer Agent Limited, 383, Lake Gardens, 1st Floor, Kolkata – 700045 immediately.

OTHERS

38. Members are requested to:

    a. intimate any change in their addresses/mandates and address all their queries relating to shares of the Company to the Registrar and Share Transfer Agents i.e. MCS Share Transfer Agent Limited, for shares held in physical form.

    b. quote Client ID and DP ID in respect of shares held in dematerialized form and ledger folio number in respect of shares held in physical form in all the correspondence.

    c. make nomination in respect of the shares held in physical form in the Company. The Nomination Form as prescribed by the Ministry of Corporate Affairs can be obtained from the Registrar and Share Transfer Agents of the Company. Members holding shares in electronic form are requested to contact their Depository Participant directly for recording their nomination.

NOTICE (contd.)

39. Non-Resident Indian Members are requested to inform the Registrar and Share Transfer Agents i.e. MCS Share Transfer Agent Limited immediately on:

    a. the change in residential status on return to India for permanent settlement; and

    b. the particulars of the bank account(s) maintained in India with complete name, branch, account type, account number and address of the bank, if not furnished earlier.

40. MEMBERS holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and ease of portfolio management. Members can contact the Company or the Registrar and Share Transfer Agents i.e. MCS Share Transfer Agent Limited for assistance in this regard.

41. Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in.

42. At the seventieth AGM held on July 28, 2017 the members approved appointment of M/s. BSR & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022) as Statutory Auditors of the Company to hold office for a period of five years subject to ratification of their appointment by Members at every AGM, if so required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the seventy third AGM. Mr. Mohan Ram Goenka, Practicing Company Secretary (Membership No. F4515 and CP no: 2551) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

43. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.

44. The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.saregama.com and on the website of NSDL https://www.evoting.nsdl.com immediately. The Company shall simultaneously forward the results to Stock Exchanges, where the shares of the Company are listed.

NOTICE (contd.)

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4

Pursuant to Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Company is required to appoint a cost auditor to audit the cost records of the applicable products of the Company on such remuneration as may be determined by the Members.

On the recommendation of the Audit Committee at its meeting held on June 05, 2020, the Board has, considered and approved the appointment of Messrs. Shome & Banerjee, Cost Accountants as the Cost Auditor for the financial year 2020-2021 at a remuneration of ₹ 1 lakh per annum plus applicable taxes and travelling and reimbursement of out of pocket expenses.

The Board recommends the resolution at Item no. 4 of the accompanying notice for the approval of shareholders of the Company as an Ordinary Resolution.

None of the Directors/Key Managerial Personnel of the Company/their relatives are in any way, concerned or interested, financially or otherwise, in the said resolution.

Item No. 5

The Members of the Company on July 19, 2019 had approved the re-appointment of Mr. Vikram Mehra (DIN: 03556680) as a Managing Director of the Company for a period of 5 years effective October 27, 2019.

Taking into consideration his present salary and future revisions, if any, and based on the recommendation of Nomination and Remuneration Committee, the Board of Directors on August 13, 2019 decided to revise the salary payable to Mr. Vikram Mehra (DIN: 03556680) w.e.f. July 1, 2019. Details of revised remuneration paid / payable to Mr. Vikram Mehra (DIN: 03556680) is given below:

Basic Salary	₹ 88,99,308 per annum
House Rent Allowance	₹ 53,39,585 per annum
Customized Allowance Pool (comprising of Management Allowance)	₹ 2,40,73,508 per annum
Car	₹ 14,23,889 per annum
Driver, Petrol and others	₹ 7,11,942 per annum
Medical	₹ 22,255 per annum
Performance Bonus	₹ 1,03,84,602 This is only an indicative amount. The actual Bonus is based on performance of both individual and Company; as per company's policy.
Provident Fund	₹ 10,67,920 per annum
Total	**₹ 5,19,23,009 per annum**

- *Term Life Insurance*: The Company shall take out a Term Life Insurance policy for Mr. Vikram Mehra as per the Rules of the Company.
- *Hospitalisation Insurance*: The Company shall pay premia for Medical insurance for Mr. Vikram Mehra as per the Rules of the Company.
- *Club Fees*: Fees of one Corporate Club Membership in Mumbai including entrance and other fees.
- Company's contribution towards Provident Fund for Mr. Vikram Mehra will be as per Rules of the Company and shall be subject to the ceilings as may be prescribed from time to time under the Income Tax Act, 1961 and the Rules framed thereunder provided that these either singly or put together are not taxable under the Income Tax Act, 1961.
- Gratuity payable to Mr. Vikram Mehra shall be in accordance with the Rules of the Company.
- *Reimbursement of telephone expenses*: One landline and one mobile connection.
- Earned leave : As per Company Policy.

NOTICE (contd.)

The Information as required under Schedule V of the Companies Act, 2013 is mentioned below:

I. General Information:

- Nature of Industry: Media and entertainment

Date or expected date of Commencement of commercial Production: Not applicable (The Company is an existing company).

- In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not applicable.
- Financial information based on given indicators (Standalone) of last 3 years

₹ In lakhs

Particulars	FY 17-18	FY 18-19	FY 19-20
Total Income	35,982.51	58,391.01	51,159.65
Profit after Tax	3,050.73	5,193.02	4,899.27

Foreign investments or Collaborators, if any:

The Company has made direct investments in the following international subsidiaries:

1. Saregama Limited (formerly known as Saregama Plc)
2. RPG Global Music Ltd
3. Saregama FZE

II. Information about the Managing Director:

1. Background Details:

   Mr. Vikram Mehra is the Managing Director of the Company since October 27, 2014. Before joining Saregama, Mr. Mehra served as Chief Marketing Officer and Chief Commercial Officer at Tata Sky Limited until October 2014. In his decade-long stint at Tata Sky, he was responsible for subscription revenue management, brand marketing, new product development, customer analytics, interactive service operations, consumer research and PR. Mr. Mehra has a wealth of experience in handling the ever developing digital platforms. His deep understanding of various aspects and facets of digital media spearheads the growth momentum at Saregama of transforming and expanding the music label into a digital business. He started his career with Tata Consultancy Services as Senior Systems Analyst. After spending two years there, he moved to Tata Administrative Services as a Manager. He has also worked with Tata Motors during his seven year stint with Tata Group. Prior to joining Tata Sky, he was with News Corp owned STAR TV from 2000 to 2004 as Vice President, where he led its foray into DTH and cable services in India. He has been a Managing Director at Saregama India Limited since October 27, 2014. Mr. Mehra holds MBA from IIM Lucknow and a B.Tech in Computer Science from IIT Roorkie.

2. Past remuneration:

   ₹ 4,72,02,735

3. Recognition or awards:

   Mr. Vikram Mehra is widely recognised by the industry as a leader setting new directions to tap unexplored potentials of the industry. Adopting a contrarian approach, Mr. Mehra made stupendous success out of a physical music device Carvaan in the music physical market facing extinction. Under his stewardship, the Company re-entered the film business but with a disciplinarian approach to cater to newly evolved digital market for the films. Mr. Mehra won prestigious Chairman's special award for outstanding contribution and leadership in 2018.

4. Job profile and his suitability:

   Mr. Vikram Mehra is the Managing Director of the Company since October 27, 2014. Mr. Mehra has wealth of experience in handling complexities of IP based businesses for the new age highly competitive markets. He has lead the launch of innovative physical device "Carvaan"; which took the market by storm immediately after its introduction. Under leadership of Mr. Mehra, the Company has posted all round improvements in its operations and profitability.

NOTICE (contd.)

5. Remuneration proposed:

   As mentioned in Item No. 5 of the Notice of 73rd Annual General Meeting.

   Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)

   The remuneration payable to the Managing Directors has been benchmarked with the remuneration being drawn by similar positions in the Media and Entertainment industry.

6. Pecuniary relationship directly or indirectly with the Company or relationship with managerial personnel, if any:

   The Managing Director have no pecuniary relationship directly or indirectly with the Company except to the extent of their remuneration and shareholdings in the Company.

III. Other Information:

1. Reasons of loss or inadequate profits:

   The Company has been running its operations efficiently and has been consistently reporting profits.

2. Steps taken or proposed to be taken for improvement:

   The Company remains committed to generate superior returns for its stakeholders and has been successfully taking business initiatives to grow size of its operations and the profits.

3. Expected increase in productivity and profits in measurable terms:

   The parameters of assessing productivity have been widely accepted norms of market share and profitability/financial ratios. The Company has shown appreciable improvements on these parameters besides reporting healthy profits.

IV. Disclosures:

The past and proposed remuneration of the Managing Director is mentioned under the heading "Information about the Managing Director" above.

(1) Remuneration package of the managerial person: Same is fully described in the respective Resolution and/or Explanatory Statement;

(2) Following disclosures forms part of the Annual Report:

- All elements of remuneration package such as salary, benefits, stock options, pension etc. of all the directors;
- Details of fixed component and performance linked incentives along with the performance criteria;
- Service contracts, notice period, severance fees;
- Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.

The Board recommends the resolution set forth in Item No. 5 for the approval of the Members as a Special Resolution.

Except Mr. Vikram Mehra (DIN: 03556680), none of the Directors/Key Managerial Personnel of the Company/their relatives are in any way, concerned or interested, financially or otherwise, in the said resolution.

Item No. 6

Mr. Umang Kanoria (DIN: 00081108) was appointed as a Non-Executive Independent Director of the Company by the members at the 69th Annual General Meeting of the Company held on July 22, 2016 for a period of five consecutive years with effect from 28th September 2015.

As per Section 149(10) of the Act, a Non-Executive Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto five consecutive years on the Board of a Company.

NOTICE (contd.)

Based on recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 152 and 161 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI LODR Regulations"), Mr. Umang Kanoria, being eligible and offering himself for re-appointment, is proposed to be re-appointed as a Non-Executive Independent Director for second term of five consecutive years with effect from 28th September 2020. The Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature for the office of Non-Executive Independent Director of the Company.

The Company has received declaration from him stating that he meets the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Act and Regulation 16(1)(b) of the SEBI LODR Regulations. He has also given his consent to continue to act as Director of the Company, if so appointed by the members.

In the opinion of the Board, Mr. Umang Kanoria fulfils the conditions specified under Section 149 (6) of the Act and Regulation 16(1)(b) of the SEBI LODR Regulations for his re-appointment as a Non-Executive Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of the Non-Executive Independent Director setting out terms and conditions would be available for inspection at the "Investor Relations" section of the website of the Company.

Brief resume of the above Director, nature of his expertise in specific functional areas and names of companies in which he holds directorship and membership/chairmanship of Board Committees, shareholding and relationship between directors inter-se as stipulated under SEBI LODR Regulations, are provided in **"Annexure A"** to the Notice of the Annual General Meeting.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of the above mentioned Director as a Non-Executive Independent Director.

Accordingly, the Board, based on the performance evaluation of the Non-Executive Independent Director and as per the recommendation of the Nomination and Remuneration Committee, recommends passing of the Special Resolution in relation to re-appointment of the above mentioned Director as a Non-Executive Independent Director for another term of five consecutive years with effect from 28th September 2020, for the approval by the shareholders of the Company.

Except Mr. Umang Kanoria, being appointee and his relatives, none of the Directors, other Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the accompanying Notice of the Annual General Meeting. Mr. Umang Kanoria is not related to any Director of the Company.

Item No. 7 and 8

Mr. Santanu Bhattacharya (DIN: 01794958) and Mr. Arindam Sarkar (DIN: 06938957) were appointed as Non-Executive Independent Directors of the Company by the members at the 69th Annual General Meeting of the Company held on July 22, 2016 for a period of five consecutive years with effect from 22nd December 2015.

As per Section 149(10) of the Act, a Non-Executive Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto five consecutive years on the Board of a Company.

Based on recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 152 and 161 read with Schedule IV and other applicable provisions, if any, of the Companies Act ("the Act") and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"), Mr. Santanu Bhattacharya and Mr. Arindam Sarkar, being eligible and offering themselves for re-appointment, are proposed to be re-appointed as Non-Executive Independent Directors for second term of five consecutive years with effect from 22nd December 2020. The Company has received notices in writing from a member under Section 160 of the Act proposing their candidature for the office of Non-Executive Independent Directors of the Company.

The Company has received declaration from them stating that they meet the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Act and Regulation 16(1)(b) of the SEBI LODR Regulations. They have also given their consent to continue to act as Directors of the Company, if so appointed by the members.

In the opinion of the Board, Mr. Santanu Bhattacharya and Mr. Arindam Sarkar fulfil the conditions specified under Section 149 (6) of the Act and Regulation 16(1)(b) of the SEBI LODR Regulations for their re-appointment as Non-Executive Independent Directors of the Company and are independent of the management. Copy of the draft letter for appointment of the Non-Executive Independent Director setting out terms and conditions would be available for inspection at the "Investor Relations" section of the website of the Company.

NOTICE (contd.)

Brief resume of the above Directors, nature of their expertise in specific functional areas and name of companies in which they hold directorship and membership/chairmanship of Board Committees, shareholding and relationship between directors inter-se as stipulated under SEBI LODR Regulations, are provided in **"Annexure A"** to the Notice of Annual General Meeting.

The Board considers that their continued association would be of immense benefit to the Company and it is desirable to continue to avail services of the above mentioned Directors as Non-Executive Independent Directors.

Accordingly, the Board, based on the performance evaluation of Non-Executive Independent Directors and as per the recommendation of the Nomination and Remuneration Committee, recommends passing of the Special Resolution in relation to re-appointment of the above mentioned Directors as Non-Executive Independent Directors for another term of five consecutive years with effect from 22nd December 2020, for the approval by the shareholders of the Company.

Except Mr. Santanu Bhattacharya and Mr. Arindam Sarkar, being appointees and their relatives, none of the Directors, other Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolutions set out at Item No. 7 and 8 of the accompanying Notice of the Annual General Meeting. Mr. Santanu Bhattacharya and Mr. Arindam Sarkar are not related to any Director of the Company.

Item No. 9

Pursuant to the provisions of Section 149, 152 and 161 of the Act and SEBI LODR Regulations and in accordance with the provisions of the Articles of Association of the Company the Board of Directors based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on June 5, 2020, approved the appointment of Ms. Kusum Dadoo as an Additional Non-Executive Independent Woman Director of the Company with effect from June 05, 2020 to hold office till the ensuing Annual General Meeting. The Company has received a notice in writing from a member under Section 160 of the Act proposing her candidature for the office of Non-Executive Independent Woman director of the Company.

Ms. Kusum Dadoo has given a declaration that she meets with the criteria of independence as provided in Section 149(6) of the Act and qualifies for being appointed as a Non-Executive Independent Woman Director of the Company.

In the opinion of the Board of Directors, Ms. Kusum Dadoo fulfills the conditions specified in the Act and rules made there under. She will not be liable to retire by rotation and she shall hold office for a term of 5 (five) consecutive years with effect from June 05, 2020. Ms. Kusum Dadoo is independent of the management and possesses appropriate skills, experience and knowledge.

Copy of the draft letter for appointment of the Non-Executive Independent Woman Director setting out terms and conditions would be available for inspection at the "Investor Relations" section of the website of the Company.

The Board considers that her association would be of immense benefit to the Company and it is desirable to avail services of Ms. Kusum Dadoo as a Non-Executive Independent Woman Director.

Brief resume of the above Director, nature of her expertise in specific functional areas and names of companies in which she holds directorship and membership/chairmanship of Board Committees, shareholding and relationship between directors inter-se as stipulated under SEBI LODR Regulations, are provided in **"Annexure A"** to the Notice of the Annual General Meeting.

Accordingly, the Board, based on the recommendation of the Nomination and Remuneration Committee, recommends passing of the Ordinary Resolution in relation to appointment of Ms. Kusum Dadoo as a Non-Executive Independent Woman Director for a term of five consecutive years with effect from June 05 2020, for the approval by the shareholders of the Company.

Except Ms. Kusum Dadoo, being appointee and her relatives, none of the Directors, other Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 9 of the accompanying Notice of the Annual General Meeting. Ms. Kusum Dadoo is not related to any Director of the Company.

Item No. 10

In terms of the provisions of Section 197 of the Companies Act, 2013, ("the Act"), the Company may pay commission to the Directors who are neither in the whole time employment of the Company nor its Managing Director at a rate not exceeding 3% of the net profits of the Company computed in the manner stated in Section 198(1) of the Act. The Non Executive Directors of your Company bring with them significant professional expertise and rich experience across a wide spectrum of functional areas such as marketing, technology, corporate strategy and media business.

Dr. Sanjiv Goenka, Chairman of the Board of Directors of the Company, handles significant responsibilities in guiding the affairs of the Company on all major policy related matters. He inter-alia navigates crucial discussions in meetings of the Board of Directors ("the Board"). Dr. Goenka is instrumental in charting out the road map of the Company and guides the senior management on major

NOTICE (contd.)

policy related issues. He also represents the Company before various authorities and stakeholders from time to time on important policy matters. The Board is of the considered view that the all-round progress made by the Company in recent years, despite the difficult market conditions in power sector has, in a significant measure, been due to the exemplary foresight of the Chairman and the considerable time devoted by him in overseeing various business interests of the Company.

In view of the above background and keeping in view the growth of the Company, contribution, responsibilities and the time devoted by the Non-Executive Directors, it is proposed to pay commission to the Non-Executive Directors of the Company at a rate not exceeding 3 % of its net profit each year, commencing from the financial year 2020-21 and for the subsequent years. The said commission will be distributed amongst the said directors in such a manner as the Board may from time to time determine.

The Board of Directors accordingly recommends the Resolution set out at Item No. 10 of the Notice for the approval by the shareholders of the Company.

All the Non-Executive Directors of the Company may be deemed to be concerned or interested in this Resolution to the extent of commission that may be payable to them from time to time. No other key managerial personnel or their relatives have any concern or interest therein.

Registered Office:
33, Jessore Road, Dum Dum
Kolkata-700 028

By Order of the Board

Dated: June 05, 2020
Place: Kolkata
CIN: L22213WB1946PLC014346

Kamana Khetan
Company Secretary

NOTICE (contd.)

"ANNEXURE A" to the Notice of Annual General Meeting

Details of Director seeking Appointment/re-appointment at the Annual General Meeting

Name of the Director	Dr. Sanjiv Goenka	Mr. Vikram Mehra
DIN	00074796	03556680
Age	59 years	48 years
Date of Birth	29-01-1961	30-07-1971
Date of first Appointment on the Board	August 17, 1991	October 27, 2014
Brief resume and expertise in Specific Functional Areas	Dr. Sanjiv Goenka is the Chairman of the Company and also of ₹ 44,000 Crores RP Sanjiv Goenka Group which has over 45,000 employees and over five hundred thousand shareholders with annual revenues of more than ₹ 26,000 Crores. Dr. Goenka was the youngest-ever President of the Confederation of Indian Industry (CII) and of the Indian Chamber of Commerce. He is also former President of the All India Management Association. He is presently the Chairman of the Board of Governors of the Indian Institute of Technology, Kharagpur. This is the fourth time Dr. Goenka has been bestowed this honour. Dr. Goenka is also the Chairman of the Board of Governors of International Management Institute, Delhi, Bhubaneswar and Kolkata. Dr. Goenka is aged 59 years and is a Commerce Graduate from St. Xavier's College, Kolkata. Dr. Sanjiv Goenka has received numerous awards and three Honorary Doctoral Degrees.	As mentioned in the Item No. 5 of the Notice to 73rd Annual General meeting
Qualifications	Dr. Goenka is a Commerce Graduate from St. Xavier's College, Kolkata	As mentioned in the Item No. 5 of the Notice to 73rd Annual General meeting
Directorship held in other public companies (excluding foreign and private companies, but includes directorship held in private companies which are subsidiaries of public companies)	Firstsource Solutions Limited , Spencer International Hotels Limited, Phillips Carbon Black Limited, Haldia Energy Limited, CESC LTD, CESC Ventures Limited, Spencer's Retail Limited, Spencer and Company Limited.	The Indian Performing Right Society Limited
Membership/Chairmanship of committees of other Public Limited Companies		Nil

Name of Company	Name of the Committee	Position held (Chairman/ Member)
CESC Limited	Audit Committee	Member
	Stakeholders Relationship Committee	Chairman
	CSR Committee	Chairman
	Nomination & Remuneration Committee	Member
CESC Ventures Limited	Audit Committee Member	Member
	Nomination & Remuneration Committee Member	Member
	Stakeholders Relationship Committee	Chairman
Spencer's Retail Limited	Nomination & Remuneration Committee Member	Member
	Stakeholders Relationship Committee.	Chairman
	CSR Committee	Chairman

NOTICE (contd.)

Name of the Director	Dr. Sanjiv Goenka	Mr. Vikram Mehra
Disclosure of relationships between directors *inter-se* and Manager and other Key Managerial Personnel of the Company	Dr. Sanjiv Goenka is related to Mrs. Preeti Goenka and Mrs. Avarna Jain, the Non-Executive Directors of the Company.	Nil
Terms and conditions of appointment or re-appointment.	Dr. Sanjiv Goenka will be re-appointed as a Non- Executive Director of the Company	N.A.
Details of remuneration sought to be paid and the remuneration last drawn by such person	Past remuneration: Nil except sitting fees Proposed remuneration: Sitting fees and Profit related commission as may be approved by the members	As mentioned in the Item No. 5 of the Notice to 73rd Annual General meeting
No. of shares held in the company as on the date of notice	Nil	Nil
Number of Board meetings attended during the year	4	4
Performance evaluation done or not	Yes	Yes

Name of the Director	Mr. Umang Kanoria	Mr. Santanu Bhattacharya
DIN	00081108	01794958
Age	60 years	73 years
Date of Birth	02-11-1959	04-11-1946
Date of first Appointment on the Board	September 28, 2015	December 22, 2015
Brief resume and expertise in Specific Functional Areas	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. He has completed his B. Com (Hons.) from St. Xavier's College, Kolkata, ACMA (formerly AICWA) and MBA from International Institute for Management Development, Switzerland.	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. He has completed his B. Engg. (Mechanical) from Calcutta University and Master in Management Science.
Qualifications	Mr. Umang Kanoria has completed his B. Com (Hons.) from St. Xavier's College, Kolkata, ACMA(formerly AICWA) and MBA from International Institute for Management Development, Switzerland	Mr. Santanu Bhattacharya has completed his B. Engg. (Mechanical) from Calcutta University and Master in Management Science.
Directorship held in other public companies (excluding foreign and private companies, but includes directorship held in private companies which are subsidiaries of public companies)	Kanco Tea & Industries Limited, Kanco Enterprises Limited, STEL Holdings Limited, Spencer and Company Limited, Winnow Investments and Securities Private Limited	Quest Properties India Limited, Landis Gyr Limited, Ranchi Power Distribution Co. Ltd.

NOTICE (contd.)

Name of the Director	Mr. Umang Kanoria	Mr. Santanu Bhattacharya
Membership/Chairmanship of committees of other Public Limited Companies		

Name of Company	Name of Committee	Position in Committee
Kanco Enterprises Limited	Share transfer Committee Stakeholders Relationship Committee Finance and Investment Committee	Chairman Member Member
Kanco Tea & Industries Limited	Share Transfer Committee Stakeholders Relationship Committee CSR Committee Finance and Investment Committee	Chairman Chairman Chairman Member
Stel Holdings Limited	Audit Committee Stakeholders Relationship Committee Nomination and Remuneration Committee	Chairman Member Chairman

Name of the Company	Name of the Committee	Position in Committee
Quest Properties India Limited	Corporate Social Responsibility Committee	Member
Landis Gyr Limited	Audit Committee	Member
	Nomination & Remuneration Committee	Member

Disclosure of relationships between directors *inter-se* and Manager and other Key Managerial Personnel of the Company	Nil	Nil
Terms and conditions of appointment or re-appointment.	Mr. Umang Kanoria will be re-appointed as an Independent Non- Executive Director of the Company	Mr. Santanu Bhattacharya will be re-appointed as an Independent Non- Executive Director of the Company
Details of remuneration sought to be paid and the remuneration last drawn by such person	Past remuneration: Nil except sitting fees Proposed remuneration: Sitting fees and Profit related commission as may be approved by the members	Past remuneration: Nil except sitting fees Proposed remuneration: Sitting fees and Profit related commission as may be approved by the members
No. of shares held in the company as on the date of notice	Nil	Nil
Number of Board meetings attended during the year	1	4
Performance evaluation done or not	Yes	Yes

Name of the Director	Mr. Arindam Sarkar	Ms. Kusum Dadoo
DIN	06938957	06967827
Age	39	67
Date of Birth	26-07-1980	02-01-1953
Date of first Appointment on the Board	December 22, 2015	June 05, 2020

NOTICE (contd.)

Name of the Director	Mr. Arindam Sarkar	Ms. Kusum Dadoo
Brief resume and expertise in Specific Functional Areas	Mr. Arindam Sarkar is a 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 15 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 led 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 Bar Council of Maharashtra and Goa. He has completed his BA LLB (Hons.) from the West Bengal National University of Juridical Sciences, Kolkata. Mr Sarkar is an Independent Director on the board of various reputed companies and is a member of ICC Nexxt, an initiative by the Indian Chamber of Commerce for boosting the start-ups space in India.	Ms. Dadoo is a Science Graduate from Bethune College and a Law Graduate from Calcutta University. Ms. Kusum Dadoo has done attorneyship from Calcutta High Court. She is associated with Khaitan & Co. Advocates, one of the leading firms of India, for over 39 years having expertise in Real Estate, Banking and Finance.
Qualifications	Mr. Arindam Sarkar has completed his BA LLB (Hons.) from the West Bengal National University of Juridical Sciences, Kolkata.	Ms. Dadoo is a Science Graduate from Bethune College and a Law Graduate from Calcutta University. Ms. Kusum Dadoo has done attorneyship from Calcutta High Court.
Directorship held in other public companies (excluding foreign and private companies, but includes directorship held in private companies which are subsidiaries of public companies)	Albert David Limited	Bhiwani Vanaspati Limited, Harrisons Malayalam Limited, Phillips Carbon Black Limited, GKW LTD, The Standard Batteries Limited, STEL Holdings Limited, Dhariwal Infrastructure Limited, Haldia Energy Limited
Membership/Chairmanship of committees of other Public Limited Companies	Member of Nomination & Remuneration Committee and Corporate Social Responsibility Committee of Albert David Limited	

Name of the Company	Name of the Committee	Position in Committee
The Standard Batteries Limited	Audit Committee Nomination and Remuneration Committee	Member Member
Phillips Carbon Black Limited	Stakeholders Relationship Committee	Chairperson
	Nomination and Remuneration Committee	Member
Harrisons Malayalam Limited	Audit Committee	Chairperson
	Stakeholders Relationship Committee	Member
STEL Holdings Limited	Audit Committee	Member
	Stakeholders Relationship Committee	Member
Bhiwani Vanaspati Limited	Nomination and Remuneration Committee Audit Committee Stakeholders Relationship Committee	Member
GKW Limited	Nomination and Remuneration Committee	Member

NOTICE (contd.)

Name of the Director	Mr. Arindam Sarkar	Ms. Kusum Dadoo
Disclosure of relationships between directors *inter-se* and Manager and other Key Managerial Personnel of the Company	Nil	Nil
Terms and conditions of appointment or re-appointment.	Mr. Arindam Sarkar will be re-appointed as an Independent Non-Executive Director of the Company	Ms. Kusum Dadoo will be appointed as a Non- Executive Independent Woman Director of the Company
Details of remuneration sought to be paid and the remuneration last drawn by such person	Past remuneration: Nil except sitting fees Proposed remuneration: Sitting fees and Profit related commission as may be approved by the members	Past remuneration: Nil except sitting fees Proposed remuneration: Sitting fees and Profit related commission as may be approved by the members
No. of shares held in the company as on the date of notice	Nil	Nil
Number of Board meetings attended during the year	4	N.A.
Performance evaluation done or not	Yes	N.A.

NOTICE (contd.)

Communication on TDS on Dividend Distribution

As you are aware that as per the Income Tax Act, 1961 ("the IT Act"), as amended by the Finance Act, 2020, dividends paid or distributed by a Company after April 1, 2020 shall be taxable in the hands of the shareholders. The Company shall therefore be required to deduct tax at source at the time of making the payment of the said Final Dividend, if declared at the above AGM.

The TDS rate may vary depending on the residential status of the shareholder and the documents submitted to the Company in accordance with the provisions of the Act. The TDS for various categories of shareholders along with required documents are provided in Table 1 and 2 below:

Table 1: Resident Share holders

Category of shareholder	Tax Deduction Rate	Exemption applicability/ Documentation requirement
Any resident shareholder	7.5%	Update the PAN if not already done with depositaries (in case of shares held in Demat mode) and with the Company's Registrar and Transfer Agents – MCS Share Transfer Agent Limited (in case of shares held in physical mode). No deduction of taxes in the following cases - o If dividend income to a resident Individual shareholder during FY 2020-21 does not exceed INR 5,000/- o If shareholder is exempted from TDS provisions through any circular or notification and provides an attested copy of the PAN along with the documentary evidence in relation to the same.
Submitting Form 15G/ Form 15H	NIL	Eligible Shareholder providing Form 15G (applicable to any person other than a Company or a Firm) / Form 15H (applicable to an Individual above the age of 60 years) - on fulfilment of prescribed conditions. The format of the said forms are available on the "Investor Relations" section of the website of the Company www.saregama.com.
Order under section 197 of the IT Act	Rate provided in the order	Lower/NIL withholding tax certificate obtained from Income Tax authorities.
Insurance Companies: Public & Other Insurance Companies	NIL	Documentary evidence that the provisions of section 194 of the IT Act are not applicable.
Corporation established by or under a Central Act which is, under any law for the time being in force, exempt from income- tax on its income.	NIL	Documentary evidence that the person is covered under section 196 of the IT Act.
Mutual Funds	NIL	Documentary evidence that the person is covered under section 196 of the IT Act.
Alternative Investment fund	NIL	Documentary evidence that the person is covered by Notification No. 51/2015 dated 25 June 2015.
Other resident shareholder without PAN/Invalid PAN	20%	

Please Note that:

a) **Recording of the valid Permanent Account Number (PAN) for the registered Folio/DP id-Client Id is mandatory. In absence of valid PAN, tax will be deducted at a higher rate of 20% as per Section 206AA of the Act.**

b) **Shareholders holding shares under multiple accounts under different status / category and single PAN, may note that, higher of the tax as applicable to the status in which shares held under a PAN will be considered on their entire holding in different accounts**

NOTICE (contd.)

Table 2: Non-resident Share holders

Category of shareholder	Tax Deduction Rate	Exemption applicability/ Documentation requirement
Any non-resident shareholder	20% (plus applicable surcharge and cess) or Tax Treaty rate whichever is lower	Non-resident shareholders may opt for tax rate under Double Taxation Avoidance Agreement ("Tax Treaty"). The Tax Treaty rate shall be applied for tax deduction at source on submission of following documents to the company o Copy of the PAN Card, if any, allotted by the Indian authorities. o Self-attested copy of Tax Residency Certificate (TRC) valid as on the AGM date obtained from the tax authorities of the country of which the shareholder is resident o Self-declaration in Form 10F. The format of the said form is available on the "Investor Relations" section of the website of the Company www.saregama.com. o Self-declaration confirming not having a Permanent Establishment in India and eligibility to Tax Treaty benefit. The format of the said declaration is available on the "Investor Relations" section of the website of the Company www.saregama.com. TDS shall be recovered at 20% (plus applicable surcharge and cess) if any of the above mentioned documents are not provided. The Company is not obligated to apply the Tax Treaty rates at the time of tax deduction/withholding on dividend amounts. Application of Tax Treaty rate shall depend upon the completeness of the documents submitted by the non-resident shareholder and are in accordance with the provisions of the Act.
Foreign Institutional Investors, Foreign Portfolio Investors (FII, FPI)	20% (plus applicable surcharge and cess)	None
Submitting Order under section 197 of the IT Act	Rate provided in the Order	Lower/NIL withholding tax certificate obtained from Income Tax authorities.

Note: The Shareholders holding shares under multiple accounts under different status / category and single PAN, may note that, higher of the tax as applicable to the status in which shares held under a PAN will be considered on their entire holding in different accounts

Kindly note that the documents as mentioned in the Table 1 and 2 above are required to be emailed to us at email ID "**dividend2020@rpsg.in" on or before August 3, 2020** in order to enable the Company to determine and deduct appropriate TDS / withholding tax rate. No communication/documents on the tax determination / deduction shall be considered post **August 3, 2020 11.59 p.m**.

No claim shall lie against the Company for such taxes deducted.

Kindly note, the documents requested are required to be submitted ONCE in a financial year (April 2020-March 2021), unless there is any change in the status having an impact on TDS rate. Post satisfactory review of the documents, it would be considered for withholding of taxes on dividends.

The Company will arrange to email a soft copy of the TDS certificate at the shareholders registered email ID in due course, post payment of the said Final Dividend. Shareholders will also be able to see the credit of TDS in Form 26AS, which can be downloaded from their e-filing account at https://incometaxindiaefiling.gov.in.

In view of the prevailing lockdown due to COVID 19, shareholders are requested to complete necessary formalities with regard to their bank accounts attached to their demat account for enabling the Company to make timely credit of dividend in the respective bank accounts.

We request your cooperation in this regard.

Saregama India Limited

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

Conceptualised, designed and developed by **Valorem Advisors** - www.valoremadvisors.com