

MUSIC • FILMS • WEB-TV SERIES



CONTENT IP

THE GROWTH DRIVER



ANNUAL REPORT 2018-19

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Sanjiv Goenka

(DIN: 00074796)

Chairman

(Non-Executive)

Mrs. Preeti Goenka

(DIN: 05199069)

Non-Executive Director

Mrs. Avarna Jain

(DIN: 02106305)

Non-Executive Director

(w.e.f. May 29, 2018)

Mr. Umang Kanoria

(DIN: 00081108)

Non-Executive Independent Director

Mr. Santanu Bhattacharya

(DIN: 01794958)

Non-Executive Independent Director

Mr. Arindam Sarkar

(DIN: 06938957)

Non-Executive Independent Director

Mr. Noshir Naval Framjee

(DIN: 01646640)

Non-Executive Independent Director

Mr. Vikram Mehra

(DIN: 03556680)

Managing Director

Chief Financial Officer - Mr. Vineet Garg

Company Secretary - Ms. Kamana Khetan

Registered office

33, Jessore Road, Dum Dum, Kolkata - 700028, West Bengal.

Phone: (033) 2551 2984, 4773

e-mail: co.sec@saregama.com

CIN : L22213WB1946PLC014346

Website : www.saregama.com

Statutory Auditor

BSR and Co. LLP, Chartered Accountants

(ICAI Firm Registration Number - 101248W/W-100022)

Internal Auditor

Ernst and Young LLP

Secretarial Auditor

MR & Associates

Legal Advisor

Khaitan & Company

Registrars and Share Transfer Agent

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

Bankers

United Bank of India

State Bank of India

ICICI Bank Limited

Regional Offices

2, Chowringhee Approach, Kolkata - 700 072

Phone : (033) 6550 2113

Fax No. : (033) 2212 8911

2nd Floor, Spencer Building, 30, Forjett Street,

Grant Road (W), Mumbai - 400 036

Phone : (022) 6688 6200

A-62, 1st Floor, FIEE Complex, Okhla Industrial Area, Phase - II,
New Delhi - 110 020

Phone : (011) 4051 9759

Door No. 2, 3, 4 & 5, 3rd Floor, Kasi Arcade,

No. 116, Thyagaraya Road, T. Nagar, Chennai - 600017

Phone : 044 -28151669 / 28151670 / 28151672 / 28151675

TABLE OF CONTENTS

Business overview	2
Management Discussion and Analysis	14
Boards' Report	19
Report on Corporate Governance	36
Independent Auditors Report on Standalone Financial Statements	53
Standalone Financial Statements	62
Independent Auditors Report on Consolidated Financial Statements	114
Consolidated Financial Statements	120
Statement under Section 129(3) of the Companies Act, 2013 in Form AOC-1	170
Notice of Annual General Meeting	171





SAREGAMA AT A GLANCE

Pioneer

of Indian Music Industry

Premier

Diversified Content Player

India's oldest

music label

India's youngest

film studio

Content IP rights of

120,000+

songs

Content IP rights of

5,700+

hours of television serials

Content IP rights of

20+

movies

Revolutionary digital audio
player Carvaan with

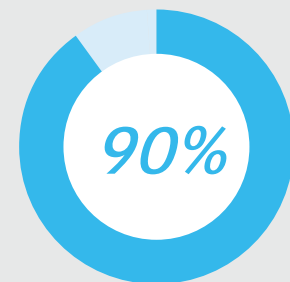
5,000

pre-loaded songs

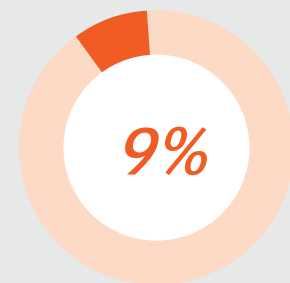
Licensing agreements across

**all media
platforms
globally**

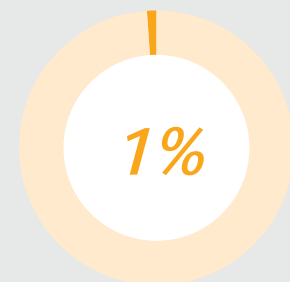
Segmental Revenue Breakup Consolidate FY19



Music



TV & Films



Publication (Magazine)

COMPANY STRATEGY

Rising
Smartphone
Ownership
450-500 Mn

Falling
Piracy

Falling
Data Prices
>INR 3/GB

Rising
Individual
based
content

Content Consumption thru Legal means Going Up

Indian Internet users
spend 21.5 hours listening
to music every week.
5 B music streams in
December '18

325M people
viewed video
online in 2018
growing @25%

Average data
consumption
went from
4 to 8 GB/pm

Greater Monetisation opportunities for
Premium Content IP Owners

ADVANTAGE SAREGAMA

120k songs IP across 18 Indian languages
+
20% Market Share in New Film Music in next 3 yrs

20 Films IP
+
50 New Films over next 3 years

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

*Saregama's long term
strategy:*

*To be a Pure Play Content
Company capitalising on
the global data driven
entertainment boom*

*Diversified monetisation of
Existing IP to fund IP Creation
for Future*

Company's Strategy



**Monetisation of
Existing IP**

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



**Building of
New IP**

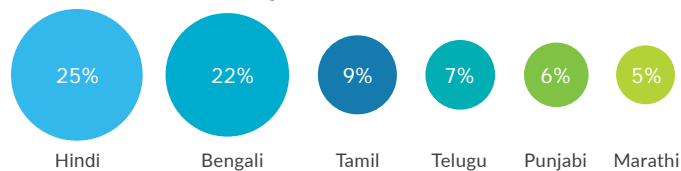
- o New film music acquisition across Hindi, Tamil and Punjabi languages
- o Producing Thematic films, with Story as the only hero, targeted at youth with primary exposure on digital platforms in large numbers with assembly line production

BUSINESS OVERVIEW

SAREGAMA'S MUSIC SEGMENT: CONTENT IP LIBRARY

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

Diversified Library



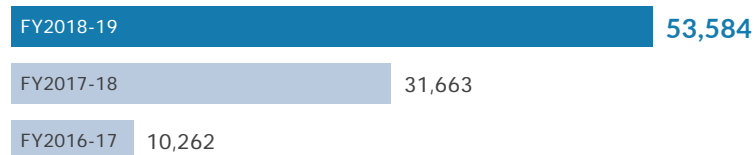
Song Playout of
5.3 Bn
in a month

Retro Music
Popularity Growing

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



Saregama's Overall catalogue Usage (MN)



Decade wise breakup in consumption of Songs

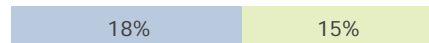
2010 Onwards



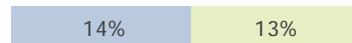
2001-2010



1991-2000



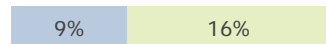
1981-1990



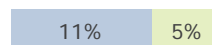
1971-1980



1961-1970

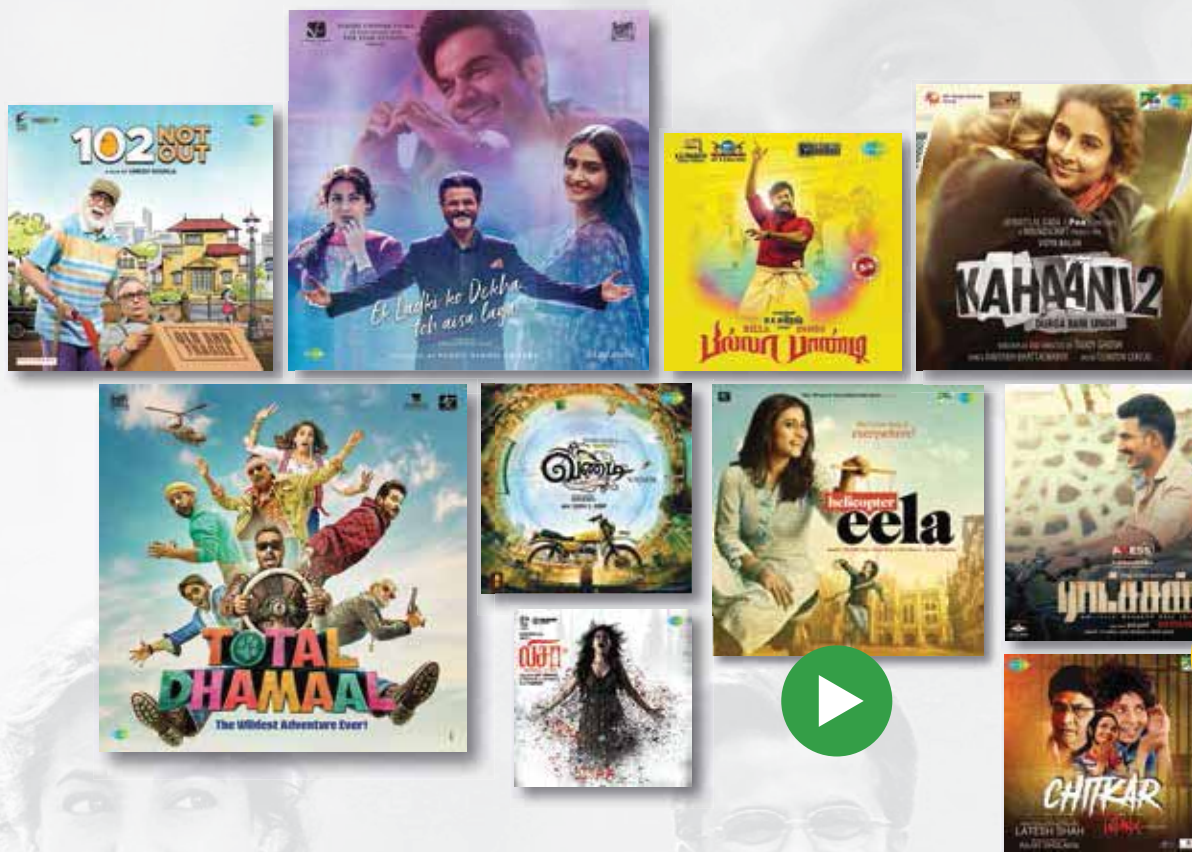


Till 1960



■ Total Song Mix ■ Top 5000 Mix





SAREGAMA'S MUSIC SEGMENT: CONTENT IP CREATION

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



Ek Ladki ko Dekha
toh aisa laga

DIRECTED BY
SHELLY CHOPRA DHAR

PRODUCED BY VIDHU VINOD CHOPRA

SAREGAMA'S MUSIC SEGMENT: CONTENT IP MONETISATION

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

OTT

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

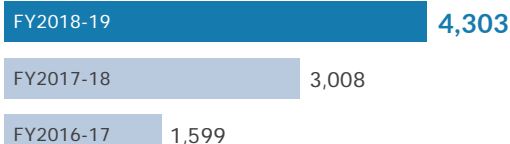
Saregama Music
is licensed to

over 45 OTT

Global Platforms as well



Number of OTT Streams (MN)



PUBLISHING

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

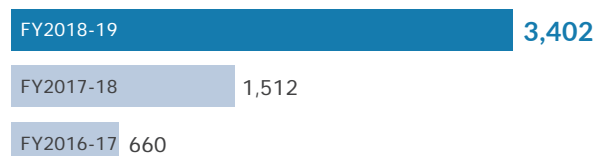
YouTube

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

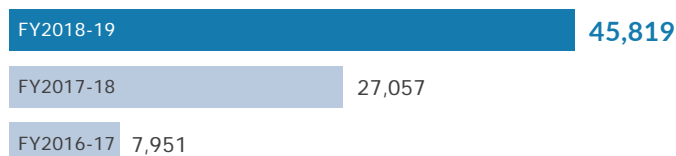
Leading Videos on Youtube



YT Channels Views (MN)



YT Other Views (MN)



Societies

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

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