

HUM KISI SE KUM NAHIN

BUILDING IP FOR TOMORROW

SAREGAMA INDIA LIMITED

MUSIC | FILMS | WEB SERIES | TV SERIALS | RETAIL

ANNUAL REPORT 2021-22

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)
Vice Chairperson and
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

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

Mrs. Suhana Murshed
(DIN: 08572394)
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

Chief Financial Officer - Mr. Pankaj Mahesh Chaturvedi
(w.e.f. 11th April, 2022)

Mr. Vineet Garg (upto 10th April, 2022)

Company Secretary - Mrs. Kamana Goenka
(upto 10th June, 2022)

Bankers

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

Statutory Auditor

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

Internal Auditor

M/s Ernst and Young LLP

Secretarial Auditor

M/s MR & Associates

Cost Auditor

M/s Shome and Banerjee

Legal Advisor

M/s Khaitan & Co

Registrars and Share Transfer Agent

MCS Share Transfer Agent Ltd

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VICE-CHAIRPERSON COMMUNIQUE

Dear Shareholders,

The underlying health and resilience of our business is reflected in the diversified revenue growth that we delivered in FY22, while our core business continues to flourish, new growth vectors are constantly emerging. We look forward to driving value for our shareholders and are well-positioned to capitalize on the robust trends taking place in the entertainment industry.

With increasing market presence, your Company records all time high revenue and PAT. Revenue from Operation rose by over 31% at Rs.580.6 crores from the last financial year, while net profit surged by over 35% to reach Rs.152.6 crores.

The music segment witnessed robust growth on the back of the Company's strategy of continuing to monetize the music catalogue combined with forward looking approach of investing in new content along with expansion in other segments of the business. The company has successfully moved ahead in the direction of expansion by raising equity capital of Rs.750 crores through QIP (Qualified Institutional Placement) and is committed to deploy these funds towards investment in music assets. The Company performed well in the retail segment with sale of Carvaan bouncing back after being hit by COVID. The Films and TV segment has started gaining size and visibility with web series being added to the repertoire, and the company extending its leadership in Digital and regional films and Tamil TV serials.

Embedding ESG parameters in business activities is reflected in the core values of Saregama. The Company strongly believes that incorporating sustainability and ESG factors into overall business strategy will help in creating long-term value for all the stakeholders.

In a bid to reward our shareholders, an interim dividend of Rs.57.84 crores (Rs.30 per Equity Share on the face value of Rs.10 each) was declared on 19th Jan'22 and paid during the quarter ended 31st Mar'22.

I want to thank all stakeholders for their continued support in achieving our targets for the year gone by. We believe we are at the cusp of an exciting journey, which is expected to create value for all of us.

Yours sincerely,

Avarna Jain
Vice Chairperson



MD's PERSPECTIVE

Dear Shareholders,

The year FY21-22 has been another path breaking year for the financial and operational performance of the Company. Recording highest topline and bottomline means setting new benchmarks for ourselves and I am happy to report that the Company is well poised to beat its own records.

It is heartening to note that Company's music licencing revenue continues to grow by 20% over the last 4 years. This is primarily on account of increased investment in new music and growing popularity of retro catalogue. Over the years the Company has rebuilt its music business brick by brick. The initiatives include digitising its entire music catalogue, developing rich meta data behind every song, building data analytics strength that helps to decide what content to pick, decentralised decision taking structure, using technology tools to track IP infringement etc. With a big focus on regional content, Company has started buying new content aggressively. This has already started bearing fruits, with many of the new albums and songs becoming superhits.

With Carvaan, the Company not only got a big revenue spinner, but also became the only music label to have direct-to-consumer business. Carvaan has also helped repopularise the retro catalogue, which in turn helps the music licencing business.

Your Company has clocked revenue of over Rs.100 crores in the Films and TV segment for the very first time. The business stands strong on the back of a permanent shift towards watching content on video OTT platforms and growing demand for regional language content. Considering this, Yoodlee targets to launch over 60 films and web series episodes over the next 3 to 4 years.

Our journey in the coming years promises to be both exciting as well as rewarding. Rapidly increasing data consumption, conducive eco system with affordable smart phones, easy access to internet are all going to be drivers of content consumption. As per the IFPI Global Music Report of 2022, the global recorded music market grew by 18.5% in 2021 - a marked increase on the prior year's growth rate (+7.2%). Remarkably, Streaming (audio and video) accounted for 65% of recorded music revenues, up from a 61.9% share in 2020. This momentum is expected to continue globally and even more emphatically in India where the consumer behaviour is starting to mirror the global trends.

I thank all our business partners, investors, employees and most importantly the consumers for their strong support and patronage to the company, its products and services and the confidence bestowed in the future business operations. Looking forward to the ever strengthening partnership in the years to come.

Yours sincerely,

Vikram Mehra
Managing Director

WE ARE INDIA'S ONLY ENTERTAINMENT ENTITY

with diversified businesses spanning



Music
India's Largest Music IP

142k+
Songs

Retail Business
Distribution network

20k+
Retailers

Films & Web Series
Content IP rights of

64 | 1
Films | Web Series

Television Serials
Content IP rights of

6k+
Hours of Television Serials



COMPANY STRATEGY

To be a **PURE PLAY CONTENT COMPANY**, capitalising on the global content consumption boom driven by ever increasing digitisation

MONETISATION OF EXISTING IP

- Through licensing to EVERY 3rd party digital (music, video, social) 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, Telugu, Bhojpuri, Punjabi, Gujarati, Malayalam, Bengali and other regional languages.
- Producing Theatrical Films in only Regional languages and Web Series in all languages. Revenue secured through pre-licensing to Digital platforms and TV channels. Scale allowing lower cost of production.

IP CREATION

OVER NEXT 3-5 YEARS

30-35%

Share of the New Music at pan India level

60

New Films and Web series episodes

1200-1500

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 (142k+) 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 100 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.

The recent additions have been from Arijit Singh, Badshah, Shreya Ghoshal, Sid Sriram, DSP, Thaman, Jubin Nautiyal, Kanika Kapoor etc.

Unlike some of the international labels, Saregama owns both the Master IP (actual song) and Publishing IP (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

IT'S NOT JUST MUSIC, IT'S INDIA'S CULTURAL HERITAGE



BUSINESS OVERVIEW

FAST GROWING LICENSING REVENUE...

Growth in Licensing Revenue (INR Lakhs)



* One time income of INR 967 Lakhs (FY22) and INR 1,547 Lakhs (FY21) are excluded

...ON ACCOUNT OF

1. Investment in new Music
2. Growing Popularity of Catalogue Music
3. Riding the wave of increasing Regional content consumption



TRANSFORMATION OF MUSIC BUSINESS



Predictable
Recurring Revenue



Minimal
Recession Risk



Increasing value
of Catalogue



Less hit-driven
than in the past



Limited, if any,
Seasonality



Fall in piracy



Music Distribution done by
the biggest & best capitalised
global tech companies

BUSINESS OVERVIEW

MUSIC SEGMENT

The company has started enhancing its catalogue of Music Intellectual Properties through new film music acquisitions across Hindi, Tamil and Telugu films and non-film songs across Hindi, Punjabi, Bhojpuri, Gujarati, Bengali, Malayalam and other Indian 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 the last 3 years track record of the singer, music composer, lyricist, actors, production house and the popularity of the music genre. This is combined with 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.

The Company has acquired music rights of Karan Johar's next directorial film Rocky Rani Ki Prem Kahani starring Ranveer Singh and Alia Bhatt; Ajay Devgan's Maidaan; RSVP's film Pippa; Megastar Chiranjeevi's film Godfather. Company recently released music of Sanjay Leela Bhansali's Gangubai Kathiawadi, Dulquer Salmaan's Kurup and Mahesh Babu's Sarkaru Vaari Paata. All these albums are superhits.

Company acquired over 1500+ song catalogue from Mango Music. It comprises songs of over 280 Telugu films released over the last two decades including superhits like RX100 and Ninnu Kori.

IP CREATION

