

ABHI TO MAIN JAWAN HOON

YOUNG & ENTERTAINING @ 121



SAREGAMA INDIA LIMITED

MUSIC | FILMS | SERIES | LIVE

INTEGRATED REPORT 2022-23

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

Ms. Suhana Murshed

(DIN: 08572394)
Non-Executive Independent Director

REGISTERED OFFICE - KOLKATA

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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

CHIEF FINANCIAL OFFICER

Mr. Pankaj Mahesh Chaturvedi

COMPANY SECRETARY

Ms. Priyanka Motwani

BANKERS

State Bank of India
ICICI Bank Limited

STATUTORY AUDITOR

M/s. B S R & Co. LLP
Chartered Accountants
(ICAI Firm Registration
Number - 101248W/W-100022)

INTERNAL AUDITOR

M/s. PricewaterhouseCoopers
Services LLP

SECRETARIAL AUDITOR

M/s. M R and Associates

COST AUDITOR

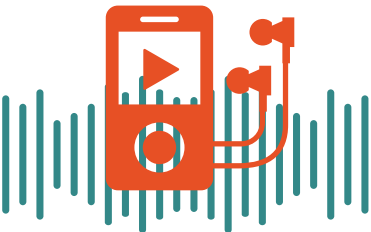
M/s. Shome and Banerjee

LEGAL ADVISOR

M/s. Khaitan & Co

REGISTRARS AND SHARE TRANSFER AGENT

Link Intime India Pvt Ltd



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HUNTER: TOOTEGA NAHI TODEGA



ABOUT THE REPORT

BASIS OF REPORTING

Starting FY23, Saregama India Limited (Saregama) has commenced its integrated reporting journey based on the Integrated Reporting <IR> principles of the International Integrated Reporting Council (IIRC), which is now a part of the IFRS Foundation.

Such reporting meets the expectations of the investor community for disclosing information beyond financial capital and statutory norms and has a strategic orientation. In this Report, we have provided an all-encompassing discussion on our value creation process along with operating context, stakeholders, material matters, governance and strategy. We use five capitals - financial, human, entertainment & intellectual, social & relationship and natural capital to aid decision-making.

REPORTING PRINCIPLE

The Report has been prepared in accordance with the Companies Act, 2013 (and the Rules made thereunder), Indian Accounting Standards, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards. We have also followed the principles of other international guidelines including the IIRC's <IR> framework and the Global Reporting Initiative (GRI) Standards.

BOUNDARY AND SCOPE OF REPORTING

The Report covers financial and non-financial information and activities of Saregama India Limited, for the period of 1st April, 2022 to 31st March, 2023. We have captured significant material events up to Board Meeting held on 27th July, 2023.

BOARD ASSURANCE

The Board of Directors and the Company's management team have applied their collective mind in the report's preparation and acknowledge their responsibility towards the integrity of the information. They opine, in their collective best knowledge, that the Report discusses all material issues and that the Company's performance has been provided in a fair and balanced fashion.

FORWARD-LOOKING STATEMENTS

Certain statements in this Report regarding our business operations may constitute forward-looking statements, including those regarding the financial position, business strategy, management plans and objectives for future operations. Forward-looking statements can be identified by words such as 'believes', 'estimates', 'anticipates', 'expects', 'intends', 'may', 'will', 'plans', 'outlook' and other words of similar meaning in connection with a discussion of future operations or financial performance.

Forward-looking statements are necessarily dependent on assumptions, data or methods that may be incorrect or imprecise and that may be incapable of being realised and as such, are not intended to be a guarantee of future results, but constitute our current expectations based on reasonable assumptions. Actual results could differ materially from those projected in any forward-looking statements due to various events, risks, uncertainties and other factors. We neither assume any obligation nor intend to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.



OUR CAPITALS



Financial Capital

refers to the funds available including equity, cash balance and debt, which we use to create and acquire intellectual properties (IPs) for enhancing value creation.



Social and Relationship Capital

refers to the strong relationships with artistes, film studios, broadcast and streaming partners, advertisers, audiences and the society at large that supports our ability to create value.



Human Capital

refers to the expertise of our people in creating a robust pipeline of IPs. We prioritise their learning and development and foster a culture of creativity, risk-taking and innovation.



Natural Capital

refers to the natural resources we use in operations and the resulting environmental impact which we strive to reduce.



Entertainment and Intellectual Capital

encompasses our industry experience and knowledge, iconic brand status as custodian of India's largest music library that keeps expanding through addition of new content, our reputation of a young studio that creates story-led movies & series for the younger generation, and our ability to enhance our IPs and innovatively monetise them.



THEME INTRODUCTION

YOUNG & ENTERTAINING @121

FOR MORE THAN A CENTURY, SAREGAMA HAS BEEN ENTERTAINING MILLIONS OF AUDIENCES

From the first ever recording in India in 1902 to the biggest musical hits of 2023,

From Music Retailing through Carvaan to Streaming on all premier Digital Platforms,

From thematic Movies & Series for digital consumption to Theatrical Content with leading stars,

From Live Concerts to Musical Plays,

WE HAVE DONE IT ALL

121 years, 150K+ songs, 69 films and web series, over 6K hours of television serials, 32 Live Shows

JOSH IS STILL HIGH

We are constantly scouring the industry for relevant content and talent that resonates with today's audiences. This includes songs, podcasts, long-form videos (films), mid-form videos (TV & web series) and short-format content. What really differentiates us from competition is our decentralised decision-taking structure and reliance on technology to decide what to acquire or create. It allows faster decision-making by people closer to the market.

Equal importance is given to monetisation of content. With rapid changes in technology, users are consuming content in newer and previously unheard ways. With the aid of technology tools, a team of youngsters is constantly tracking the digital world for newer apps and web-pages using our content, and handing over the potential partners to the legal and business teams for issuing licenses. Apart from growing revenues, this also ensures that the Company is never over-dependent on any one source of licensing revenue.

Also, as a proud custodian of India's musical legacy, we continue to reignite the magic of the evergreen songs created decades back. Our objective is to maintain the prominence of these songs by employing effective marketing strategies tailored for our existing fans. Concurrently, we aim to resonate with the younger audience through modern renditions, thereby enhancing their relevance.

Having entertained for more than 100 years, we are in our second 20s, and we believe we will remain in our 20s forever.

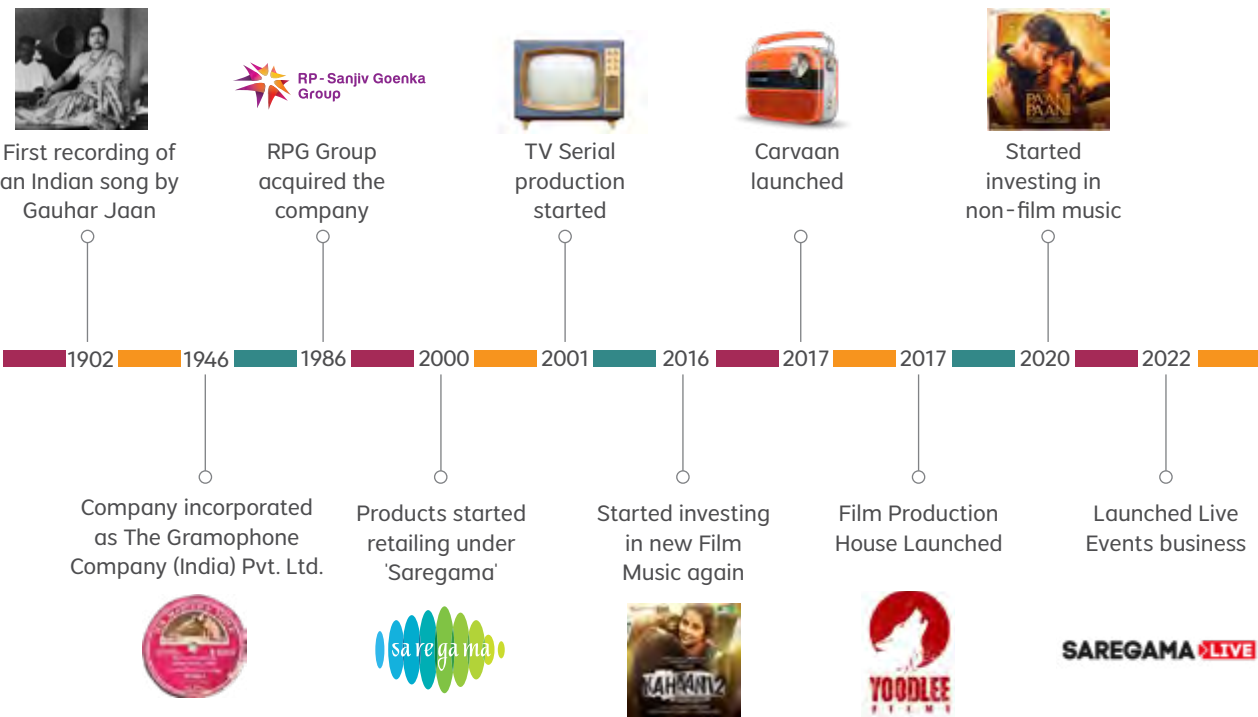
We take pride in being a youthful and contemporary entertainer that continues to captivate and entertain audiences. Join us in celebrating the power of youthfulness and entertainment!

ABOUT SAREGAMA

THE LARGEST AND FASTEST GROWING MUSIC LABEL AND YOUNGEST FILM STUDIO BUILT ON TWIN-PILLARS OF CUSTOMER CENTRICITY AND TECHNOLOGY

Saregama

India's leading and only entertainment company with diversified business



Saregama is one of the very few entertainment companies that creates both audio and video IP, and then monetises it across music streaming, broadcast, video streaming and social media platforms, theatres and retail shops. The underlying philosophy is always IP ownership and not work-on-hire production services. We work both on licensing (B2B) as well as retail (B2C) models. This allows us to drive synergies across verticals and improves our negotiation power with our partners (artistes and licensing platforms).

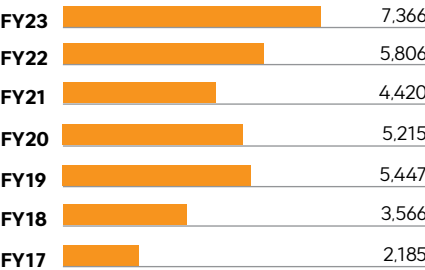
We keep our Customer at the centre of everything we do. We use both qualitative research and data analytics to understand the What (what kind of music, films, events they want to consume) and How (how do they prefer consuming this content). This knowledge combined with our tech investments in predictive AI modelling tool gives us a big edge over others in a competitive entertainment IP market.

Further, we are a part of the RP-Sanjiv Goenka Group, a large conglomerate having interests in power and natural resources, carbon black, retail and FMCG, media and entertainment, infrastructure, information technology, education and sports. The RP-Sanjiv Goenka Group includes entities such as Phillips Carbon Black Limited, Firstsource Solutions Limited, CESC Limited, Spencer's Retail Limited, RPSG Ventures Limited and Harrisons Malayalam Limited, amongst others. We believe that our association with the Group has enabled us to absorb its corporate values and principles and adhere to good corporate governance practices. We also believe that our association with the RP-Sanjiv Goenka Group aids us in procuring new businesses and exploring other opportunities.

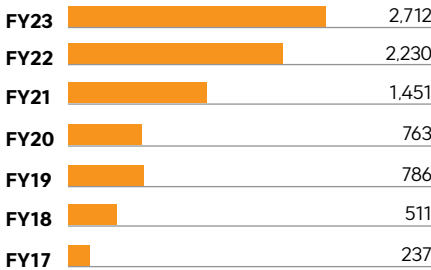
CONSISTENT TRACK RECORD OF STRONG FINANCIAL PERFORMANCE

Saregama Key Financial Metrics

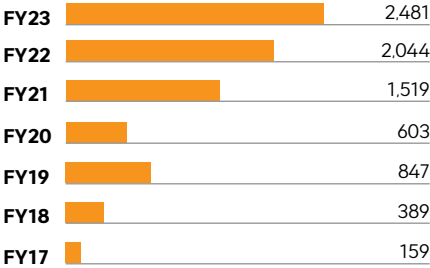
Revenue From Operations (Rs. Mn)



Adjusted EBITDA (Rs. Mn)

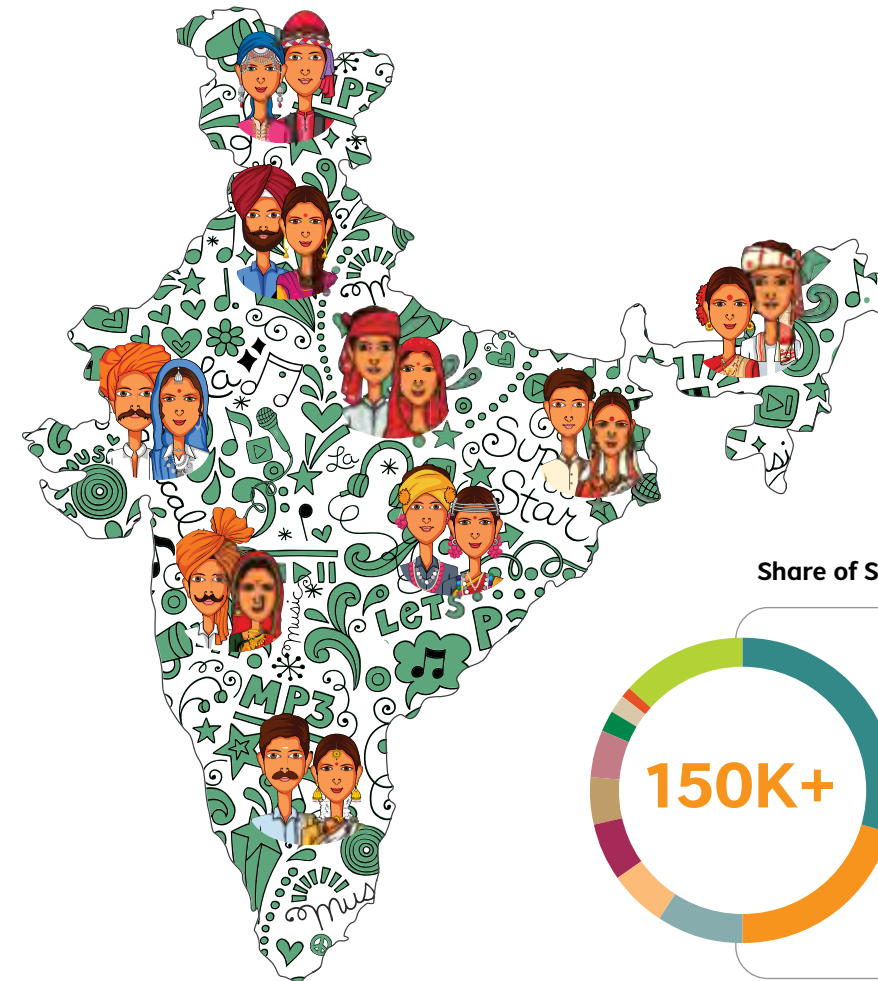


PBT (Rs. Mn)

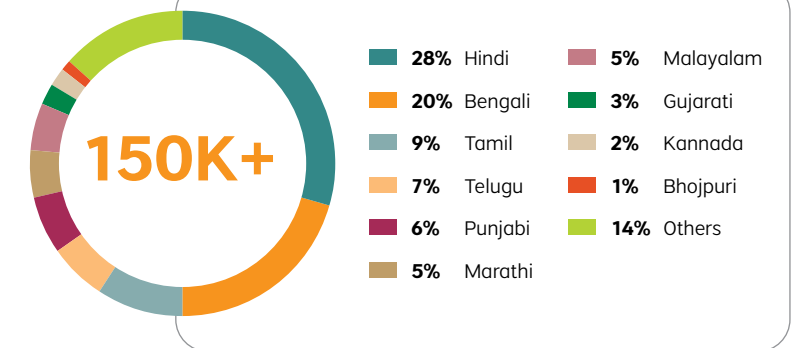




SAREGAMA CONTENT CONNECTS PEOPLE ACROSS INDIA WITH MUSIC COVERING DIFFERENT NATIVE LANGUAGES

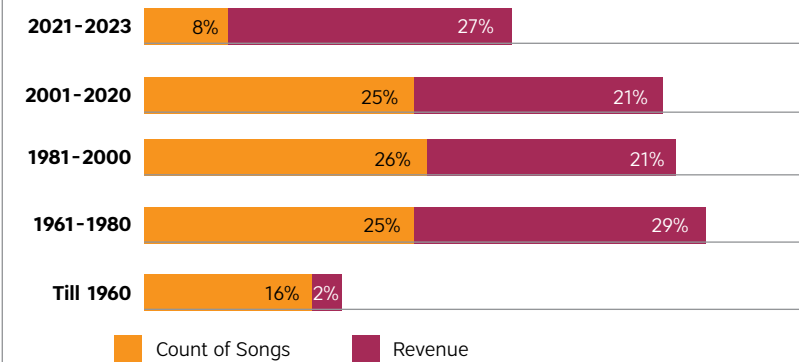


Share of Saregama's Songs by language



FY23 Era-wise Licensing Revenue Breakup

48% of Licensing Revenue now comes from 21st century songs



VICE-CHAIRPERSON'S COMMUNIQUE



With continued market presence, your Company recorded all time high revenue and PAT. Revenue from Operations rose by over 28% at Rs. 7,366 Mn from the last financial year, while net profit surged by over 21% to reach Rs. 1,851 Mn. Our topline has grown by a CAGR of 22% for the last 7 years and even more significant is the fact that our profits have grown at a CAGR of 58% for the similar period. We believe this journey of growth and habit of breaking our own records will continue as the pillars of this growth namely digital boom, availability of capital for future investment and an excellent team at work stay strong and intact.

The music segment continued to grow strongly on the back of the Company's strategy to invest in new music and monetise the catalogue in different ways. The Company is continuously exploring possibilities of inorganic acquisition by way of different transaction structures, and is committed to investing based on financial and strategic parameters. However, safeguarding

of capital continues to be our top priority along with tapping avenues of growth.

Carvaan sales grew by over 40% and our strategy of providing value to our customers driven by product innovation continues to be the driving factor for growth in retail business. We will continue to innovate on the product front and plan to come up with some exciting product offerings with a lot more service features as well as sources of revenue. The Company believes in diversifying its business streams to maximise benefits of synergy. The launch of live events vertical is an example of the same. In our Films, TV and Events segment, revenue grew by 54%.

Your Company continues to strengthen its core values such as governance, stakeholder value creation and sustainability. The Company has embedded ESG parameters in its business activities. In order to enhance visibility, a holistic view of its activities is presented through an Integrated Report.

The Company continues its practice of rewarding its shareholders. An Interim dividend of Rs. 578 Mn (Rs. 3 per Equity Share on the face value of Re. 1 each) was paid during the quarter ended 31st March, 2023.

I want to thank all stakeholders for their continued support in achieving our targets for the year gone by. We believe that 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



Hello everyone, I am pleased to share with you highlights of an extremely eventful year for your Company driven by the digital revolution and our content play. We have witnessed the Company scaling new heights and we are confident of achieving even higher peaks. The Company's revenue from operations touched Rs. 7,366 Mn and the PAT recorded was Rs. 1,851 Mn. It is heartening to note that the growth story is not a one-off event but a further addition to the consistent track record of strong financial performance.

A big shift in the Company's outlook over the last few years has been a greater focus on our younger audiences. We are constantly catering to the content needs of this class of audience by way of investing aggressively in new music, creating derivatives and cover versions of gems from our catalogue, entering into the business of live events and expanding the horizon of Yoodlee vertical by releasing Web Series on digital platforms. This approach not only helps us connect with our younger audience but also diversifies the revenue streams, paving way for a broad-based growth in the years to come.

Music has been the driving force behind the Company's growth story in the past and it continues to deliver the results in line with everyone's expectations. The Company's music licensing revenue grew by over 20% for the 5th year in a row. This is primarily on account of increased investment in new music and the growing popularity of our retro

catalogue. One of the key strengths of the Company and the one that sets us apart from the rest is the process of new content acquisition. The Company acquires new content using predictive AI technology using volumes of relevant data converted to knowledge which is leveraged through a completely decentralised decision-taking structure and listening sessions by our young employees that clearly understand the modern day content requirements. Performance of new content has been one of the major drivers of our growth in the music licensing vertical. The result is clearly visible as 21st century songs contributed ~48% of the music licensing revenue for FY23. Another critical element of our new content strategy is being language-agnostic. We believe in investing in any content that meets our parameters of financial returns.

Your Company has clocked revenues of over Rs. 1,574 Mn in the Films, TV and Events segment registering a 54% YOY growth. There is an exciting line-up of our films and series to be released in the coming years. Our entry into the business of live events has been received very well and it gives us the confidence to build this further. While this segment is expected to grow at a higher rate than other segments, we have implemented a tight capital allocation policy to mitigate any risks of capital being locked for a long period.

I would like to highlight that technology remains at the centre of the Company's strategy in every decision that we take. We have so far invested in predictive AI and now we shift towards investing in Generative AI technology. We keep ourselves abreast with technological advancement and believe that leveraging new-age technological developments will be a path-breaking step with respect to the growth story waiting to be unfolded.

I thank all our business partners, investors, employees and most importantly the consumers for their strong support and patronage to the Company. Looking forward to the ever-strengthening partnership in future.

Yours sincerely,

Vikram Mehra
Managing Director

ORIGINALS

BY

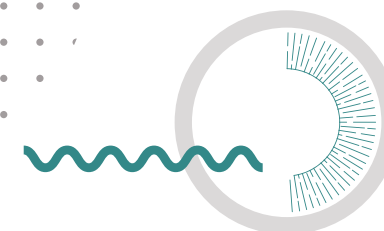
SANJAY

LEELA

BHANSALI



BUSINESS SEGMENTS



MUSIC SEGMENT

A. MUSIC LICENSING

Contribution: 61% of the Company's revenue from operations

(In Rs. Mn)

FY23	4,410*
FY22	3,585*
FY21	2,839*
FY20	2,361*
FY19	1,949

23% ↑
5-year CAGR

*One time income of Rs. 84 Mn in FY23, Rs. 97 Mn in FY22, Rs. 155 Mn in FY21 and Rs. 21 Mn in FY20 are excluded

BUSINESS OVERVIEW

Saregama is India's oldest music label with one of the largest song libraries that is continually being expanded through acquisition of film and non-film songs, across languages and genres.

This music is non-exclusively licensed to partners for short periods, on a variable or fixed fee basis.

The Company is also investing in new talent discovery. The aim is to identify tomorrow's stars early, groom and train them and make them popular using Saregama's resources. This will not only give Saregama a preferential access to this talent in future, but also open an additional source of revenue.

KEY BUSINESS ENABLERS

- Library comprising music (both catalogue and new, film and non-film) across multiple genres and 18 different languages
- Rights to Master IP (actual song) and Publishing IP (lyrics, composition) across all media for global territory
- Songs fully digitised with rich meta-data for easier search



NEW MUSIC CONTENT ACQUISITION

Saregama is cementing its leadership position with new film and non-film music acquisition across Hindi, Tamil, Telugu, Bhojpuri, Gujarati, Punjabi, Malayalam, Bengali and other regional languages.

- The New Music IP acquisition process started slowly 3 years ago with smaller acquisitions. These 36 months have given us time to vet our assumptions and fine-tune our marketing and monetisation approach. We are now fully geared to acquire a lion’s share of new content
- The primary focus is on acquiring music of films in Hindi, Telugu,Tamil and Malayalam languages
- The Company is additionally creating non-film music in several languages including Hindi, Bhojpuri, Punjabi and Gujarati. This is being done with artistes like Arijit Singh, Badshah, Sunidhi Chauhan, B Praak, Pawan Singh, Khesari Lal Yadav, Rakesh Barot, etc.
- The Company dedicates a significant proportion of the content acquisition cost towards marketing of music, to ensure a higher success rate during the monetisation cycle

CONTENT SELECTION PROCESS

We have a robust data-driven and listening-led selection process, which helps identify songs with high monetisation and return on investment potential. It involves use of a home-grown predictive AI model, built using the performance of all songs released in India over the last 3 years. It throws a performance predictor score basis the genre of the song and the artistes involved with it. This is followed by a listening session by a group of young company executives, all under the age of 30 years. Their qualitative feedback is combined with the predictor score to decide if we want to acquire the song and at what price.

We also keep refreshing our existing songs to suit the choices of our young audience, by allowing modern day artistes to recreate these songs in newer ways.

CONTENT CREATION IN FY23

Added 1,000 plus film and non-film Originals and Premium Recreations across Hindi and other Regional Languages

Added 7,000 plus derivatives LoFi, Trap Mix, Cover, Acoustic etc., driving popularity and growth of catalogue

Saregama IP (owned channel and user generated content) crossed 202 Bn YouTube views in FY23

11 Songs with 100 Mn+ views on YouTube

SONGS RELEASED IN 2022



325M+	325M+	255M+
217M+	187M+	165M+
135M+	132M+	130M+
120M+	105M+	

No. of views as on May 2023 of original videos on Saregama's official YouTube Channels

OUR NEW MUSIC PARTNERS

We have established partnerships with some of the leading film studios for acquiring new music content



PARTNERSHIPS WITH LEADING ARTISTES FOR CONTENT CREATION

While we strongly believe in film music, we lay an equal emphasis on artiste-led non-film music. Partnering with leading artistes of the country is essential to the success in this segment. This is possible only through long-term partnerships with artistes, that are based on mutual trust and respect.

We recently partnered with Bollywood's leading singer Arijit Singh for creation of original songs and recreations in Hindi and Bengali. Company also has long-terms deals with Bhojpuri (Khesari Lal Yadav, Arvind Akela Kallu) and Gujarati (Rakesh Barot, Kajal Maheriya) artistes.

We also announced our partner programme for all musicians and singers wanting to do covers, recreations and remakes of our catalogue across all languages.



IP MONETISATION

Music streaming / video streaming platforms

We license our songs to Music Streaming, Video Streaming and Short format Video platforms through various types of commercial structures. All these platforms are in the early stages of growth with huge upside potential over the next few years, on the back of content consumption growing online. Both advertising and subscription will drive this revenue growth. We expect the subscription base of the streaming apps in India to touch 50M over the next few years.

Saregama's music IPs were used 213 Bn times across audio OTT platforms, YouTube, radio stations, TV channels in FY23

Music streaming platforms



Video streaming platforms

With the rising popularity of video streaming in India, platforms like Netflix, Disney+ Hotstar, Amazon, Zee5, Alt Balaji 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.

