

July 23, 2021

The Manager,
Listing Department,
National Stock Exchange of India Limited
Exchange Plaza, C-1,
Block G, Bandra – Kurla Complex,
Bandra (East),
Mumbai – 400 051

The Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001

Symbol: SAREGAMA EQ

Scrip Code : 532163

Dear Sir/ Madam,

- Sub: 1. Annual Report for the financial year 2020-21 and Notice convening the 74th Annual General Meeting**
- 2. Intimation of cut-off date of August 9, 2021 to determine the eligibility of the members to cast their vote through remote e-Voting and e-Voting during 74th Annual General Meeting**
- 3. Intimation of date of Book Closure date for the purpose of 74th AGM ('Book Closure')**

This is to inform you that In view of the outbreak of COVID-19 pandemic, social distancing norm to be followed and the continuing restriction on movement of persons at several places in the country and pursuant to General Circulars dated 8th April 2020, 13th April 2020, 5th May 2020, 28th September 2020, 31st December 2020 and 13th January 2021 issued by the Ministry of Corporate Affairs ("MCA") (collectively referred to as 'MCA Circulars') and SEBI Circular dated 12th May 2020 and 15th January 2021 ('SEBI Circulars') permitted the holding of the AGM through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the above and the relevant provisions of the Companies Act, 2013 ('the Act') and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the AGM of the Company is being held through VC / OAVM only on Monday, August 16, 2021 at 12:00 noon (IST).

Accordingly, owing to the difficulties involved in despatching of the physical copies of the Notice of the 74th AGM and the Annual Report of the Company for the financial year ended 31st March, 2021 including therein the Audited Financial Statements for the year 2020-2021, the afore-mentioned documents will be sent only by email to the Members.

In view of the above, please find enclosed herewith the Annual Report of the Company for FY 2020-21 along with the Notice convening the 74th Annual General Meeting (AGM) of the Company sent through email to all the Members whose Email Ids are registered with the Company/Depository Participant.

The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Monday, August 9, 2021, being the cut-off date, are entitled to vote on the Resolutions set forth in the Notice of AGM. Those shareholders holding shares either in dematerialized form or in physical form, as on the cut-off date will be entitled to avail the facility of remote e-voting as well as voting at the AGM.

Pursuant to Section 91 of the Companies Act, 2013 and Regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, August 10, 2021 to Monday, August 16, 2021 (both days inclusive). for the purpose of Annual General Meeting.

Request you to take the above information / documents on records.

Thanking You,
Yours Faithfully,
For **SAREGAMA INDIA LIMITED**

Kamana Goenka
Company Secretary and Compliance Officer
Encl. As above

SAREGAMA INDIA LIMITED

MUSIC | FILMS | WEB SERIES | TV SERIALS

“**WOH SIKANDAR HI
DOSTON,
Kehlata hai.
HAARI BAAZI KO
JEETNA,
JISE AATA HAI**”

RECLAIMING THE LEADERSHIP POSITION !



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

Ms. Suhana Murshed
(DIN: 08572394)
Non-Executive Independent Director
(w.e.f March 23, 2021)

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. Kusum Dadoo
(DIN: 06967827)
Non-Executive Independent Director
(period June 5, 2020 - Feb 4, 2021)

Registered Office - Kolkata
33, Jessore Road, Dum Dum, Kolkata - 700028,
West Bengal.
Phone: (033) 2551 2984, 2551 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. Vineet Garg

Company Secretary - Ms. Kamana Goenka

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.

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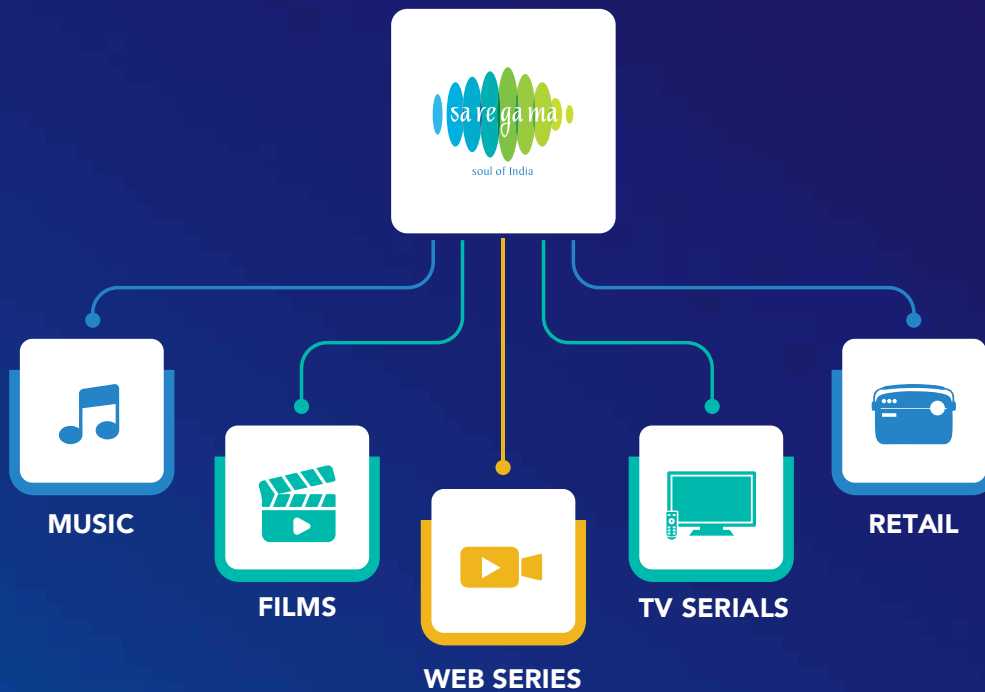
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SAREGAMA INDIA'S ONLY ENTERTAINMENT COMPANY INTO



MUSIC

India's Largest Music IP

130k⁺
Songs

RETAIL BUSINESS

Distribution network

30k⁺
Retailers

FILMS IP

Content IP rights of

61
Films

TELEVISION SERIALS

Content IP rights of

6k⁺
Hours of Television Serials

To take pole position as a **PURE PLAY CONTENT COMPANY**, capitalising on the global boom in content consumption driven by higher smartphone penetration, lower data costs and COVID - accelerated digital adoption

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, Gujarati, Telugu and other regional languages.
- Producing Thematic films & series, with Story as the only hero, targeted at youth. Focus on Regional language content. Revenue primarily from licensing to digital platforms. Scale enabling lower cost of production.

IP CREATION
OVER NEXT 3 YEARS

20-25%
Market Share
in New Music

50
New Films
and Web Series

1200-1500
Hours of
new TV serials content

**MUSIC
SEGMENT**

Saregama is India's oldest music label with the largest library of intellectual property rights (130k+) 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, Rochak Kohli, BPraak etc.

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

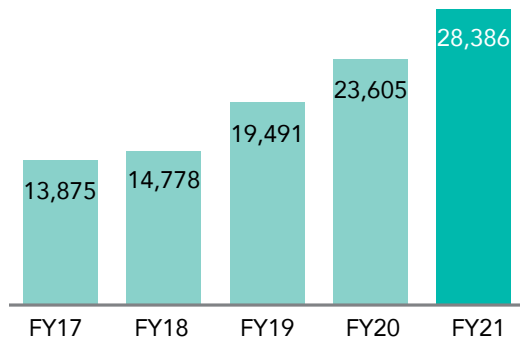
Unlike some of the international music labels, Saregama's song IP ownership includes both the Master (actual song) and Publishing rights (lyrics, composition) across all media for global territory. All adaptations of these songs need Saregama's approval. Each of these songs is fully digitized with rich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



* One time income of INR 1,547 Lakhs (FY21) and INR 207 Lakhs (FY20) are excluded

...On account of

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

Transformation of Music Business



Predictable Recurring Revenue



Less hit-driven than in the past



Minimal Recession Risk



Limited, if any, Seasonality



Increasing value of Catalogue



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

**MUSIC
SEGMENT**
(continued)

IP CREATION

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 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 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 recently acquired music rights of the next set of films of India's biggest film directors, Sanjay Leela Bhansali and Shankar. It also released the biggest musical hit of the year, Paani Paani by Badshah.

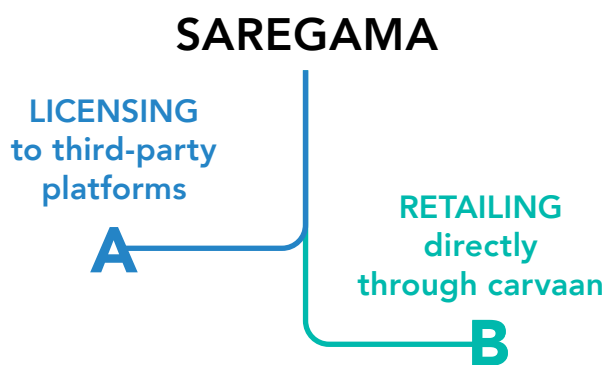
PAANI PAANI
This latest song trended at no. 1 position across all music streaming platforms, social media and YouTube



MUSIC SEGMENT
(continued)

IP MONETISATION

Saregama adopts a 2-pronged approach for monetizing its music



The company's evergreen catalogue remains the preferred choice for music streaming platforms, TV channels, web series, brand advertisements etc. With Covid giving wings to digital adoption, we expect this trend to accelerate further.

Saregama's music IP got used 85B times in FY21 across audio OTT platforms, Youtube, radio stations, TV channels, Social Media etc.

A. Licensing to third-party platforms

A.1. Music Streaming Platforms (OTT)

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 as economies open up and life comes back to normal post-pandemic.

Over the last year and more, 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 as digital adoption got accelerated by 3-5 years.

Music Streaming is substantial, fast growing, predictable & capital light, growing annuity with high revenue visibility

MUSIC SEGMENT
(continued)

IP MONETISATION

A. Licensing to third-party platforms

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.



MUSIC SEGMENT
(continued)

IP MONETISATION

A. Licensing to third-party platforms

A.4. Social Media Platforms

Saregama has 25 channels on YouTube with a cumulative subscriber base of over 51 Mn

The monthly views on Saregama’s YouTube channels have grown from 0.5 Mn to 940 Mn in a span of 68 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.

Last year Saregama signed licensing deals with Facebook and short-format video sharing apps like Instagram, Josh, Triller etc. 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.

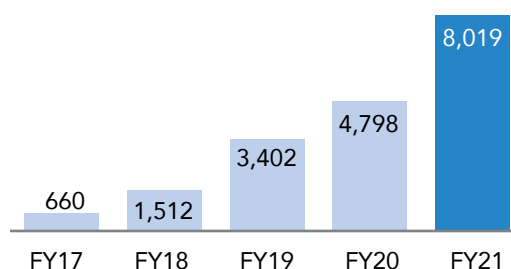
A.5. Societies

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.

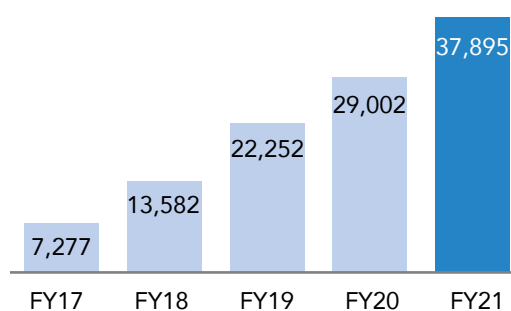
With performing rights society (IPRS) getting copyright registration, a so far untapped source of revenue is getting opened up for Saregama as a Music Publisher (owner of lyrics and composition). IPRS issues publishing licenses to Music Users and collects Royalties from them, for and on behalf of its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

A. YouTube Saregama Channel Views (Mn pa)



B. YouTube - 3rd Party Videos (using Saregama content) Views (Mn pa)



MUSIC SEGMENT
(continued)

B. Retailing directly through Carvaan

CARVAAN: The most 'DIFFERENTIATED' and 'PREMIUM' music brand in India



The Product

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.

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

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. The product has been extended to multiple variants to cater to different customer segments, including the recently launched Carvaan Karaoke targeting home parties and Carvaan Mini Kids targeted at screen wary parents of 2-10 yr old kids. The product is retailed through 30k+ retail outlets and all leading e-commerce platforms



Brand Attributes

Convenience of Use

35+ Segment

Premium

Nostalgia

MUSIC SEGMENT
(continued)

B. Retailing directly through Carvaan

Product to Platform

A key trend of the digital era is the need for constant self-improvement - it is, after all, a knowledge based economy. The next phase of growth in Carvaan comes from catering to this need, and audio podcasts are the first step in that direction. Under the broad definition of edutainment, Carvaan will position itself as a trusted source of information and entertainment for its consumers. It will not only offer thousands of songs but also daily updatable podcasts covering topics as wide as possible.

Carvaan as a platform talks to a uniquely defined set of consumers - the affluent middle-class and middle-aged. These consumers are today increasingly opting to place themselves behind paywalls and are therefore less accessible to advertisers. This is where Carvaan as a platform can offer a unique opportunity to partners and advertisers to talk to this segment. and allow for fruitful monetization of the content. Carvaan’s unique business model invites content creators to release their podcasts non-exclusively on the platform, and offers 40% revenue sharing to them.

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

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 licensing.

With the next set of digital customers from coming from the smaller towns, the company want to focus more on regional cinema during the next few years. Films are being made in Malayalam, Marathi, Tamil, and Punjabi with leading talents of the region to capitalize on the increased demand for regional content from OTT players.

The vertical has released 16 films in last 44 months on Netflix, Disney+ Hotstar and Zee5.

N 3 Netflix Originals
7 Licensing deals

Disney+ 4 Hotstar Originals

ZEE5 2 Movies



VIDEO SEGMENT
(continued)

BROADCASTING

Tamil TV Serials

Over the last 20 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 (1.5B views in FY21).

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



6k+ hours of content for Sun TV



PUBLICATION SEGMENT
(continued)

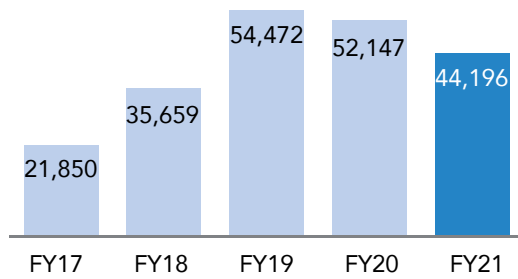
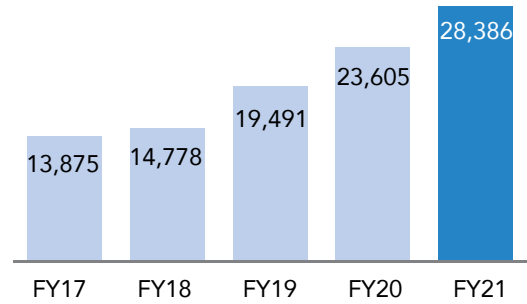
IP CREATION & MONETISATION

Open Magazine

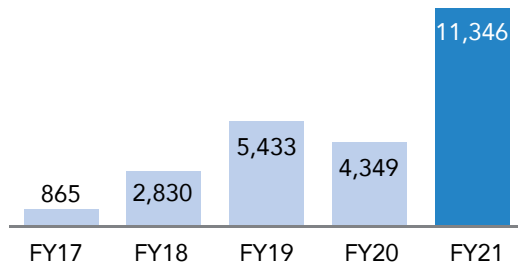
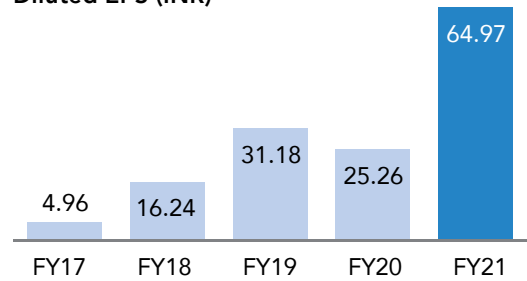
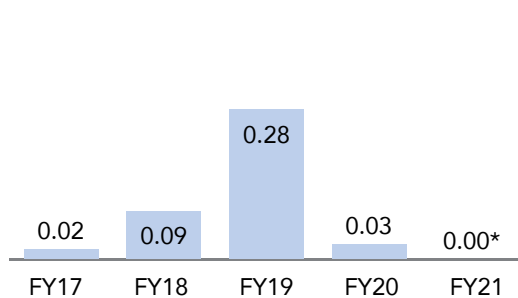
The Publication segment includes the publication of Open Magazine, a weekly current affairs and features magazine, through a 100% owned subsidiary. The magazine targets the top strata of the society and highly intellectual readers and provides a platform to top brands to promote their product and services.

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.

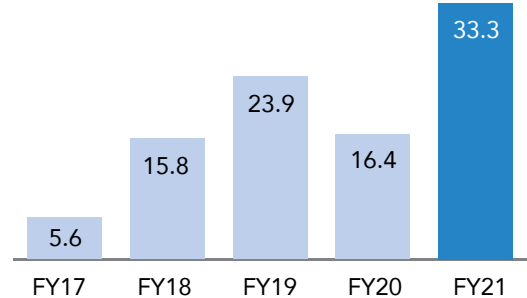


Revenue from Operations (Turnover) (INR Lakhs)

Music Licensing Revenue (INR Lakhs)


*One time income of INR 1,547 Lakhs (FY21) and INR 207 Lakhs (FY20) are excluded

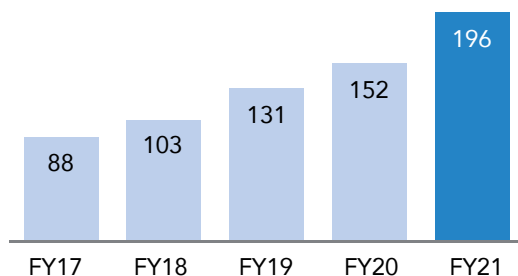
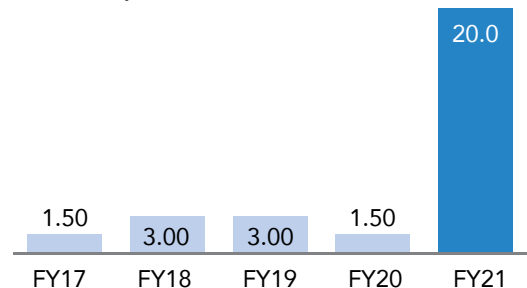
PAT (INR Lakhs)

Diluted EPS (INR)

Debt to Equity Ratio


* As on 31st Mar'21, Debt is Nil

Return on Equity (ROE) (%)*


* ROE = PAT / Shareholders Equity

* Shareholders Equity = Equity share capital and free reserves

Book Value Per Share (INR)

Dividend per Share (INR)


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 26+ 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.

Rashna Pochkhanawala

Sr. Vice President, Music Licensing

Rashna has Media Sales and Licensing experience of 18 years across the Music & TV industry. In the past, she has headed branded content and large format event monetization for Times Group, Network 18, Hungama & UTV. Rashna heads 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 Tata Sky, LG and Onida. 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 19 years. He has also directed multiple TV series across channels, including for Saregama in the past. Siddharth has 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. She heads Saregama's Tamil TV serial business.

MANAGEMENT DISCUSSION AND ANALYSIS

Covid-19 and Entertainment

As the Pandemic slowly draws to its endgame and we start to see the proverbial light at the end of the tunnel, the mood turns upbeat. This is reflected in bullish trends seen in stock markets worldwide, which are seen as a barometer of optimism in the future.

Saregama is uniquely poised to take advantage of 2 factors at play here - optimism and celebration mean a directional return to pre-pandemic consumption - with the demand for entertainment going up, while the enforced stay-at-home rules have accelerated the rate of adoption of digital entertainment.

As a pure-play content company, Saregama is both recession-proof as well as bounce-back friendly.

Media & Entertainment Industry

According to FICCI, the Indian M&E sector was growing @ 9% till 2019 and expected to reach INR 2.23 Tn by 2023.

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 gainers 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 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 700 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.

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

The other contributor is the changing family dynamic wherein it's increasingly acceptable for different members 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.

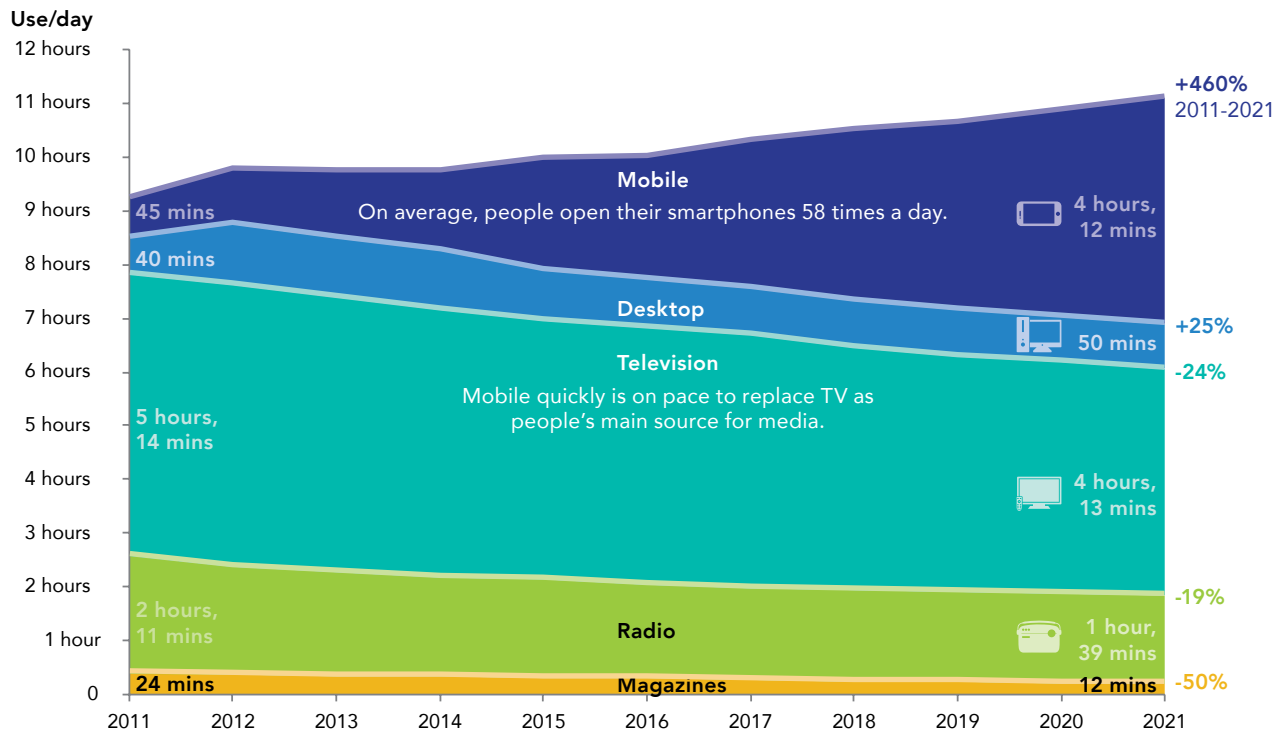
Content creators who are well-funded with strong delivery processes and the backing of an existing IP bank will be well-positioned to take advantage of this opportunity.

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.

Changing Media Consumption

In a single decade, the way in which we consume media has shifted dramatically. Everyday mobile use has skyrocketed, underscoring the move away from offline media



Source: Recode, Zenith

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, twenty 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.

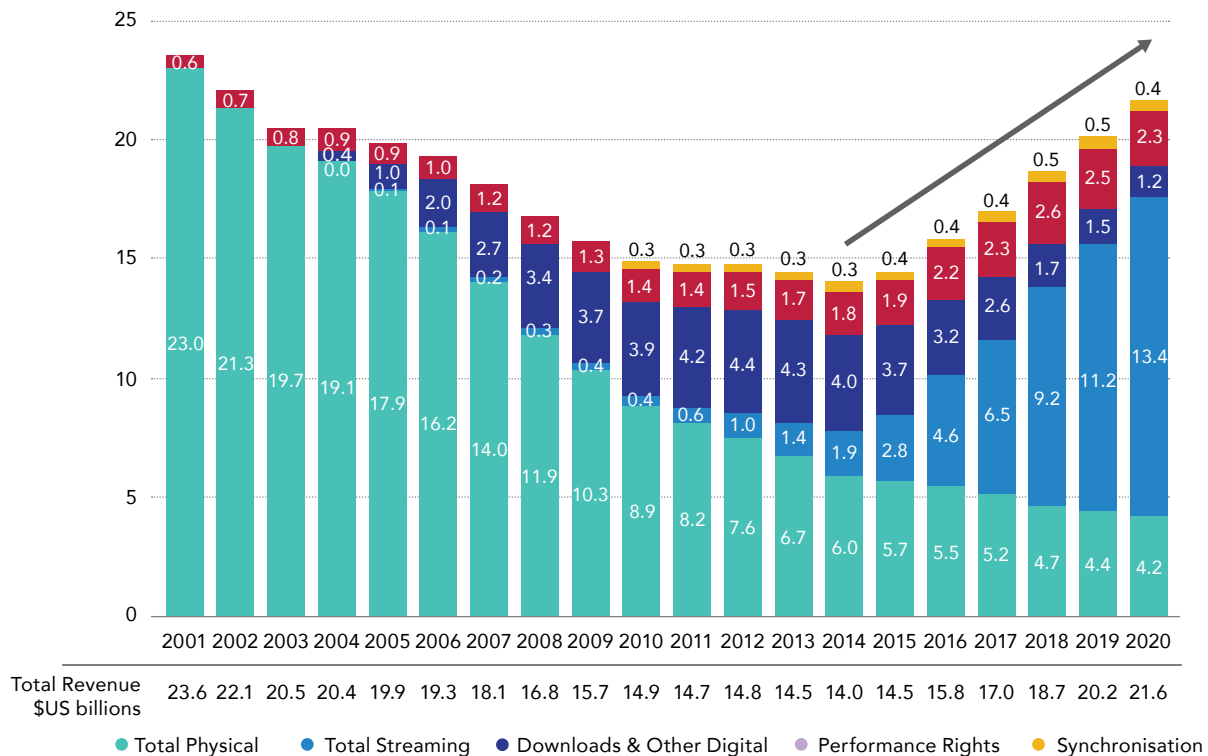
Add to this the company's strength in product development, marketing, investments in data analytics and 30k+ strong retail network, and you get the most unique Content Company in India.

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

Music Industry has been on an upswing globally, on the back of increased digital revenues

Global recorded music industry revenues 2001-2020 (US\$ billions)



Source: IFPI Global Music Report - 2021

Mirroring the global trend, Indian Music Industry is also growing since 2015 on the back of increased digital revenues, performance rights and synchronization rights. The digital video business has also been growing leaps and bounds, on the back of higher advertising spends on platforms like Youtube and faster adoption of subscription driven platforms like Netflix, Disney Hotstar etc. Another big trigger is the declining content piracy, which is the result of both carrot (millions of curated songs available free at click-of-a-button on digital platforms like Gaana, Spotify, Hotstar etc.) and stick (joint anti-piracy initiatives between Govt. and Industry).

The underlying theme of Saregama's journey of the last few years has been to prepare itself to take advantage of the digital explosion happening globally. The company has not only digitized its entire catalogue of 130,000 songs, but also painstakingly built rich meta data behind it. It also on-boarded its songs on every major music

platform in the world. Digital has allowed us to put our music everywhere, unfettered by the constraints of the conventional brick n mortar distribution network. Its distribution is no longer restricted to India and extends to every corner of the world where there are Indian music fans. The company also used this time to build a robust data analytics tool around 100B annual song usage data points. The predictive models built on the back of data analytics help sharpen our ability to pick the right song at the right price from the market. The result of these initiatives is here for everyone to see. Saregama's Music Licensing business has been growing at >20% pa for the last three years.

The continuous growth of digital infrastructure has paved the way for a massive growth in audio streaming. Leading platforms like Gaana and JioSaavn now estimate 150-200 Mn monthly active users. With millions of potential customers stuck at home during Covid-19 lockdown, the

sampling of these services went up. 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 2% to 5-6%, the digital revenues can propel the necessary growth to push the Indian music market towards 20% growth. 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 social media platforms, video sharing apps, general entertainment TV channels for reality shows & serials, new films (for background sync & remixes), 5-star hotels and event managers for 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.

Simpler technology leads to more user generated Content being created and uploaded on platforms like Youtube, Facebook, Instagram Reels, Josh, Triller 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 five 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. Also, the company believes that the next big wave of consumption will come from the regional language content, and is investing heavily both in regional music and films & 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, pack-track record of the artistes, quality of the music and optimum pricing.

With very few films getting released last year, Saregama relied primarily on non-film music to grow its market share. It launched multiple high-profile Hindi & Punjabi songs under the branding 'Saregama Originals', helping it grow both OTT streams and Youtube views. One of the focus markets this year was Gujarati music, where the company has moved from bottom to top 3 position in just 12 months. The other focus market was Bhojpuri, where company managed to cross 450M views on its Youtube channel in its first year itself.

During this financial year, we added audio & video rights of 162 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

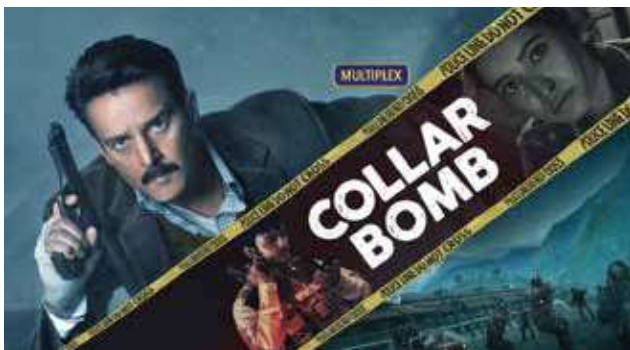
The last few years have been favorable for the Indian film industry with the growth coming not only from domestic box-office collections but also overseas theatrical releases and escalation in satellite rights values. Indian consumers have also taken to online video viewing in big way. As per E&Y, the 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 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 42 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).



In FY21 Yoodlee delivered 2 movies to Netflix (Axone and Chaman Bahar) and both trended at #1 on the platform. We also delivered 1 movie to Disney Hotstar (Collar Bomb), 1 to Zee5 (Comedy Couple), while our film KD won the prestigious National Film Award

An equally impressive achievement was that each of the 16 films delivered so far has been completed "within-budget and on-time". This has been achieved by taking individual discretion out of script selection 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.

Looking at Yoodlee's enviable track record, multiple video platforms have shown keen interest to partner with Yoodlee for digital series.

We believe that all Yoodlee 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 20 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. 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 Karaoke Carvaan and Carvaan Mini for Kids. 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 is essential because Carvaan being a new product category, demands touch-n-feel by the customers before buying it.

With retail networks and e-commerce deliveries shut for many months, Carvaan sales took a beating this year. Company tried to neutralize this negative impact by cutting down on operational and marketing costs. The emphasis was to rely primarily on customer pull than sales push. Company plans to continue with this approach till lockdowns based uncertainty completely goes away.

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

ENVIRONMENT, SOCIAL AND GOVERNANCE

Preface

ESG incorporation has emerged as a tool for businesses to become resilient and remain successful over a long period of time along with promoting sustainable development for all. Saregama being India's oldest music label, understands the extent of impact its business has on the global community and recognizes its duty to conduct business in a socially responsible manner. Towards this, the principles of ESG incorporation in a business's philosophy act as a guide through which an organization can enhance its ability to conduct business with transparency and efficiency.

Environmental, Social, and Governance (ESG) aspects refer to the three central factors in measuring the sustainability and societal impact of a company or business.



ENVIRONMENT

Saregama is committed to minimize its impact on the natural environment and conduct business in an environmentally-responsible manner



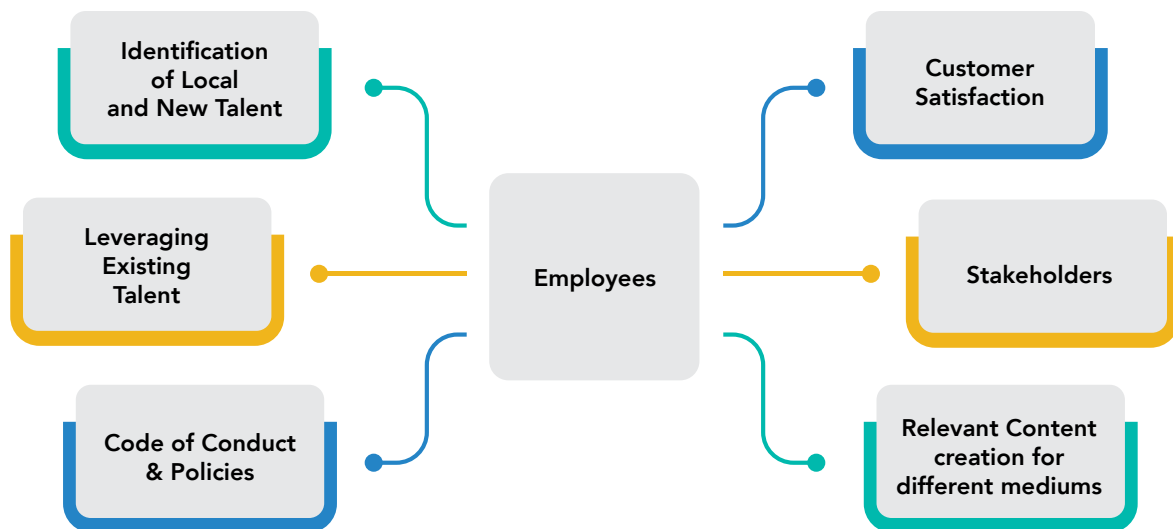
SOCIAL

Saregama is committed to building and nurturing relationship with all its stakeholders based on the principles of respect, dignity and creation of positive impact for all



GOVERNANCE

Saregama is committed to instil and always uphold the highest standards of corporate governance to promote ethical, professional and responsible business practices within its operations and sphere of influence



Environment



Protection and conservation of environment has been identified as the key focus area by Saregama in terms of the Environment dimension of ESG aspects and sustainable development. The Company has undertaken various offsite initiatives and has also introduced measures for the incorporation of environment-friendly practices in the day-to-day operations.

The Company's philosophy of being an environmentally conscious business is evident in its product offerings as well. The packaging material of Saregama's flagship product "Carvaan" is made of 100% recyclable and biodegradable paper. The concept of reduce, reuse and recycle is adopted for effective waste management practices such as used plastic water bottles are sent for recycling, bio-degradable alternatives are used for product packaging. Moreover, if any product is damaged during the shipping or delivery cycle then repairing the same is given preference over scrapping. All efforts are taken to minimize waste generation at source and the Company strives to utilize each component till the end of its life cycle, subsequent to which everything is sent for recycling.

At Saregama, under the banner of Yoodlee Films, the Company has a zero plastic on set policy and cutlery used is made from recyclable materials. Preference is given to shooting at locations where the backdrop of the story is based on landscapes found in the Indian states of Jharkhand, New Delhi, Varanasi, Maharashtra,

Himachal Pradesh and Uttarakhand to name a few. This practice enables the Company to minimize the creation and usage of artificial sets which have an adverse impact on environment and the existing sets are modified and reused for multiple movies.

Furthermore, Saregama in association with Mumbai Police released an advertisement featuring the environmental issue of noise pollution. The advertisement depicted a traffic intersection with people waiting for the signal to turn green from red, the decibel levels were being monitored and shown on a screen. To create awareness about the high decibel levels, the signal wait time was linked to the increasing decibel levels due to honking.

The Company has collaborated with partners to ensure compliance with relevant environmental regulations and norms and to cultivate an environmentally cognizant work environment, has installed energy-efficient computers and all electrical equipment are purchased as per the criteria mentioned in the accepted energy conservation guidelines.

**100% Recyclable and
bio-degradable packaging
materials used**

Social



Saregama is an equal opportunity employer and has adopted policies, guidelines and procedures to ensure the same. The Company prohibits discrimination based on race, caste, religion, color, ancestry, marital status, gender, sexual orientation, age, nationality, ethnic origin or disability. The Company respects the culture and beliefs of all its employees. Furthermore, we have a zero-tolerance policy towards harassment, whether sexual, verbal, physical or psychological against any employee.

24% permanent women employees in the total workforce

Saregama believes that in order to effectively serve the stakeholders, the Company's employees play an integral role. To create value for our stakeholders who come from diverse backgrounds, we need a diverse workforce where employees feel safe, work in an inclusive and supportive environment. The Company places high emphasis on ensuring pay equity among its employees. Also, it has been working continuously on promoting diversity with 64 women employees out of the total permanent strength of 266, which includes three women in management committee out of total eight members. As on 31st March 2021, nearly 24% of the total workforce represents permanent women employees.

Apart from the Company's employees, content creators act as the foundational pillar for Saregama to conduct business and venture into new opportunities. Over the years, the Company has given preference to association with people who are new in the entertainment industry and provided them with a platform to showcase their art. This includes associations with folk artists and people from regional entertainment industry and rural areas of the Indian sub-continent to correlate with the background of the story being produced.

Saregama has recently ventured into motion pictures under the banner Yoodlee Films, a growing film business to create awareness about various social causes. This segment of offerings is more in tune with the Company's endeavors towards promoting new talents while supporting the viewing preferences of younger audiences. As our world is constantly on the move, people prefer accessing content flexibly as per their leisure and availability, viewers are more interested in content, which is relatable and speaks about their regional issues along with some timeless themes that can be enjoyed individually as well as in a group. The Company has determined a process, which is followed during the selection of projects and its cast, that is, the people who will be working on it. It is ensured that each project focuses on a social peril affecting the youth of our country and has a theme around which the story will revolve. The Company takes concerted efforts to release content

that addresses issues such as bullying, racism, political disruptions, caring for elderly and regionalism.

As of FY 2020-21, 16 movies have been released under the banner of Yoodlee Films. Additionally, during the production, Saregama gave an opportunity to five new directors (one female and four male) with no prior experience, a first-time music director and three new cinematographers. The Company has also scouted and trained two child artists who are recipients of National Awards (Best Child Actor). As the Company shoots films across the different locations of India, it is also associated with various Folk music artists who were approached to sing in their regional languages and to maintain authenticity as per the backdrop of the story many smaller, that is, not very well-known actors and non-actors were employed locally from Kashmir, Tamil Nadu, Maharashtra, Chhattisgarh, Madhya Pradesh and North-eastern States of India to name a few.

Saregama also leverages its music catalogues and the Company has launched products catering to various sects of our society in Hindi, English and Indian regional languages such as Marathi, Malayalam, and Tamil, amongst others for better reach and enhanced customer satisfaction. Towards this, the flagship product "Carvaan" which is a pre-loaded, portable music repository of 5,000 vintage Bollywood songs, is designed to reach out to the elderly as the product has nostalgia as its theme. This theme was chosen with a purpose to connect with the elderly and the music genre is enjoyed by all age groups. Subsequent to the positive response and acceptance amongst the audience, the Company has introduced a variant of Carvaan called as Carvaan Mini, a lighter version designed to reach out to the wider audience owing to its compatible size and a lack of dependency on network requirements. Carvaan Mini has different variations to choose from such as for kids, devotional songs, ancient scriptures like Shrimad Bhagavad Gita, classical music, and Rabindra sangeet, amongst others in various languages.

To further reach out to the elderly in line with the theme of nostalgia, the Company, during the COVID-19 pandemic, initiated a social media campaign, where people were asked to share details of various Old age homes and Saregama distributed 150 pieces of Carvaan as a token of positivity during an uncertain time.

Additionally, in the wake of COVID-19 pandemic, to ensure safety of all the employees and people associated with Saregama, the Company has undertaken measures such as mandatory working from home was introduced during the nationwide lockdown, subsequent to the

relaxation of norms, 10% of the employees were working from office depending on the type of work with proper temperature checks while others were provided with facilities to support operating from their homes. Office premises were regularly sanitized and gathering of employees at one place was strictly prohibited. Moreover, hourly reminders were set within the premises to ensure frequent hand sanitization along with intermittent RT-PCR tests for employees visiting or working from office. Furthermore, the COVID-19 Vaccination drive was launched at a PAN India level to cover maximum number of employees and their families.

As the COVID-19 pandemic has been an emotionally difficult time for everyone, Saregama organized virtual activities and meetings such as four mental wellness and stress management sessions along with yoga sessions on a quarterly basis. The employees were also provided with facilities where in 52 E-consultations with various experts such as Dermatologist, Dietician, Mental Wellness, Pediatrician and Physician were conducted. Annual health check-up facility at home was availed by 80% of the workforce during the reporting year.

Governance

Saregama is committed to upholding the highest standards of Corporate Governance as we believe in transparency and integrity as our core values. We have an internal code of conduct, which is referred during the day to day operations of the Company. The code of conduct covers all our employees, independent directors and board of directors.

To further facilitate our governance centric approach, we have invested in compliance management tools such as SAP-ERP for accounting transparency amongst other business practices.

Our Board of Directors are responsible for ensuring excellence in corporate governance practices and all our policies, SOPs, Codes of Conduct are regularly reviewed and updated to meet the requirements of applicable laws and regulations.

Additionally, the Company also has set of Suppliers Guidelines which talks about Saregama's expectations with respect to how the suppliers can adhere with applicable laws and regulations, mitigate adverse impacts on the environment, incorporate more efficient measures for conducting business and adopt better governance practices.

BOARDS' REPORT
BOARDS' REPORT

Your Directors are pleased to present the Seventy-Fourth Annual Report of Saregama India Limited along with the audited accounts for the year ended 31st March, 2021.

1. FINANCIAL INFORMATION

A) The performance of your Company for the year ended 31st March, 2021 is summarized below:

(₹ In lakhs)

	Consolidated	Standalone	Consolidated	Standalone
	Year ended 31st March, 2021	Year ended 31st March, 2021	Year ended 31st March, 2020	Year ended 31st March, 2020
Total income	47,281.63	46,332.60	53,270.39	51,159.65
Profit/(Loss) from operations	15,190.64	14,544.50	6,034.77	6,578.96
Profit before tax	15,190.64	14,544.50	6,034.77	6,578.96
Provision for Taxation				
Current tax	3,773.08	3,754.55	2,013.96	2,008.33
Deferred Tax Charged / (Credit)	71.10	88.16	-328.64	-328.64
Net profit (after tax and exceptional items)	11,346.46	10,701.79	4,349.45	4,899.27
Proposed Dividend (including tax thereon)	3,485.60	3,485.60	261.39	261.39
Transfer to general reserve	NIL	NIL	NIL	NIL
Free Reserves	32,332.56	33,978.98	24,731.85	26,934.67

Your Board is pleased to report a profit of ₹ 10,701.79 lakhs on a standalone basis for the year 2020-21.

B) RESERVES

There is no amount proposed to be transferred to the Reserves.

C) OPERATIONS/ STATE OF COMPANY'S AFFAIRS/NATURE OF BUSINESS

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

D) DIVIDEND

Your Company's wealth distribution philosophy aims at sharing its prosperity with its shareholders. Your Company has declared an interim dividend of ₹ 20 per share on March 23, 2021 for the year ended March 31, 2021. The total equity dividend for FY21 (including dividend distribution tax) aggregated to ₹ 34,85,60,240.

E) 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 Obligation 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. 2020-21 is attached to the Financial Statements for the F.Y. 2020-21 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 Act, 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 ₹ 17,42,60,120 divided into 1,74,26,012 shares of ₹ 10/- each.

During the year under review, 2,000 shares were allotted to eligible employees under Saregama Employee Stock Option Scheme 2013 and 2,00,000 shares were transferred from Saregama Welfare Trust to eligible employee of the Company on account of stock options exercised by the eligible employee 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 ₹ 17,42,80,120 divided into 1,74,28,012 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 applicable under the SEBI LODR Regulations 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 SEBI LODR Regulations 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. ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2021 is available on the Company's website on https://www.saregama.com/static/investors?srgm_tracker=footer.

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. Ms. Kusum Dadoo (DIN: 06967827) was appointed as an Independent Woman Director on the Board w.e.f. June 5, 2020. She resigned as an Independent Woman Director from the Board of the Company w.e.f. February 4, 2021 due to personal reasons. She has also confirmed that there are no other material reasons for resignation except as mentioned above.
- b. Mrs. Avarna Jain (DIN: 02106305) is liable to retire by rotation, and being eligible, offers herself for re-appointment as a Director of the Company.
- c. Appointment of Ms. Suhana Murshed (DIN: 08572394) as an Additional Non-Executive Independent Woman Director, effective March 23, 2021 for a period of 5 consecutive years. A resolution seeking shareholders' approval for her appointment as an Independent Woman Director along with other required details forms part of the Notice. Further the Board is of the opinion that she possesses integrity, expertise and relevant proficiency which will bring tremendous value to the Board and to the Company. Ms. Suhana Murshed shall appear for the online proficiency self-assessment test as per the specified timeline conducted by the institute under the applicable provisions of the Act.
- d. Pursuant to SEBI LODR Regulations dated May 9, 2018, a special resolution is required to be passed for continuing the directorship of any person as a non-executive director who has attained the age of seventy five years. In view of the above, it is proposed to obtain shareholders' approval at the ensuing Annual General Meeting for continuing the Directorship of Mr. Santanu Bhattacharya (DIN: 01794958) who will attain the age of 75 years during FY 2021-22.
- e. Re-appointment of Mr. Noshir Naval Framjee (DIN: 01646640) 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) and continuation of his Directorship as he has attained the age of seventy five years, subject to Member's approval at the ensuing Annual General Meeting.

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 Act. 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.

BOARDS' REPORT (contd.)

C) Board Evaluation

Pursuant to the provisions of the Act and the corporate governance requirements as prescribed by SEBI LODR Regulations, 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 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 LODR Regulations is available on the website of the Company https://www.saregama.com/static/investors?srgm_tracker=footer.

The salient features and objectives of the policy are as follows:

- To formulate the criteria and terms to determine qualifications, attributes and independence of Directors;
- To identify the qualification, key attributes and profile required of persons who may be appointed in Senior Management and Key Managerial positions;
- To recommend remuneration of the Directors, Key Managerial Personnel and Senior Management employees and other employees based on the Company's size of business, financial position and trends and practices prevailing in similar companies in the industry;
- To devise mechanism and carry out evaluation of the performance of Directors;
- To devise and achieve diversity on the composition of Board, an essential element to support quality of performance;
- To prepare policies or principles to retain, motivate and promote talent and create a sense of participation and ownership.
- To carry out such other functions as is mandated by Board of Directors from time to time or is enforced by any statutory notification, amendment or modification as may be applicable.
- To perform such other functions as may be necessary or appropriate for performance of duties

BOARDS' REPORT (contd.)**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 A" of this report. The policy is available on the Company's website.

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

D) Dividend Distribution Policy

Since the Company falls into Top 500 listed entities as per market capitalization as on March 31, 2021, the Board of Directors at its meeting held on May 12, 2021 adopted a Dividend Distribution policy in terms of Regulation 43A of SEBI LODR Regulations and the same is available on the website of the Company https://www.saregama.com/static/investors?srgm_tracker=footer. Further, it is also annexed as "Annexure B".

7. BOARD MEETINGS AND AUDIT COMMITTEE COMPOSITION

During the period under review, 5 (five) 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 LODR Regulations.

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. Since the Company falls into Top 500 listed entities as per market capitalization as on March 31, 2021, the Board of Directors at its meeting held on May 12, 2021 has constituted a Risk Management Committee in line with SEBI LODR Regulations.

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 year were on an Arm's length basis and were in compliance with the applicable provisions of the Act and the SEBI LODR Regulations.

Further, there were no material contracts/arrangements/ transactions entered by the Company with the Related Parties during the financial year.

BOARDS' REPORT (contd.)

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.

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 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 2020-21.

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 2020-21. 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 Act 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, 2021. 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, 2021. 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 Act in the preparation of the annual accounts for the year ended on March 31, 2021 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, 2021, and of the profit and loss of the company for that year on that date;

BOARDS' REPORT (contd.)

- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the 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;
- 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	2,135.19	8,338.05
Foreign Exchange earned	10,183.89	9,264.34

16. EMPLOYEES STOCK OPTION SCHEME 2013

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 Act 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 Act read with Companies (Share Capital and Debenture) Rules, 2014 and SEBI (SBEB) Regulations. During the year ended March 31, 2021, the Trust has purchased 1,18,641 equity shares through secondary acquisition.

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 Nomination and Remuneration Committee at its meeting held on January 17, 2020 cancelled 2,00,000 Stock Appreciation rights issued to eligible employee which was 100% vested after 1 year and the said options has been exercised by the eligible employee on January 19, 2021. The aforesaid 2,00,000 equity shares were then transferred to the said eligible employee from Saregama Welfare Trust.

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 2018

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. During the year under review, the Nomination and Remuneration Committee on June 30, 2020 granted ESOPs under the Saregama ESOP Scheme 2013 in lieu of SAR 2018 and as a result of the above, the SAR scheme 2018 stands cancelled.

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 (31.03.2020 - 5,290) equity shares (relating to cases under litigation / pending clearance from concerned authorities) are in abeyance as on 31st March, 2021.

BOARDS' REPORT (contd.)

19. RATIO ANALYSIS

KEY RATIOS	STANDALONE	
	March 2021	March 2020
Net Profit Margin ¹	25%	10%
Operating Profit Margin ¹	29%	14%
Debt to Equity Ratio ²	-	2%
Interest Coverage Ratio ²	558.0	22.8
Current Ratio	2.0	2.0
Debtor Turnover (Days)	75.3	80.5
Inventory Turnover (Days) ³	206.0	126.0
Return on Networth ¹	30%	17%

Note:

1. Increase in Operating profit margin, Net Profit Margin and Return on Networth is due to high profits for the year.
2. Interest Coverage ratio and Debt-Equity Ratio are not relevant for the current year as company has zero debt as on 31st March'21.
3. Inventory turnover ratio is higher due to lower retail sales volume due to COVID-19 and higher inventory of digital films under production.

20. BUSINESS RESPONSIBILITY REPORT

Regulation 34 of SEBI LODR Regulations 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, 2020, Business Responsibility Report for the year ended March 31, 2021 as stipulated under Regulation 34(3) of SEBI LODR Regulations is annexed as "Annexure E".

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.

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, 2021.

23. DELISTING OF EQUITY SHARES FROM CALCUTTA STOCK EXCHANGE

The Board of Directors of the Company at its Meeting held on October 28, 2020 approved, inter alia, a proposal for voluntary delisting of the Company's equity shares from Calcutta Stock Exchange ("CSE") only as there has been no trading in the Equity Shares of the Company listed on CSE for several years. CSE does not have nationwide trading terminal. Hence, such listing was serving no useful purpose. Accordingly, the Equity Shares of the Company were delisted from CSE w.e.f. December 7, 2020 in response to the application made by the Company with CSE Limited for voluntary delisting of its equity shares pursuant to Regulations 6 and 7 of the SEBI (Delisting of Equity Shares) Regulations, 2009. The Equity Shares of the Company continue to remain listed on both NSE and BSE.

24. 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:

BOARDS' REPORT (contd.)

- 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, 2021.
- 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.

25. 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. The Directors mourn the loss of life due to COVID-19 pandemic and are deeply grateful and have immense respect for every person who risked their life and safety to fight this pandemic.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Dr. Sanjiv Goenka
Chairman and Non-Executive Director
DIN:00074796

Vikram Mehra
Managing Director
DIN: 03556680

Date: May 12, 2021
Place: Kolkata

BOARDS' REPORT (contd.)

Annexure – A to Directors report

Annual Report on Corporate Social Responsibility (CSR) Activities

1. Brief outline on CSR Policy of the Company:

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

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Umang Kanoria	Non-Executive Independent Director	1 (One)	1 (One)
2.	Mr. Noshir Naval Framjee	Non-Executive Independent Director	1 (One)	1 (One)
3.	Mr. Santanu Bhattacharya	Non-Executive Independent Director	1 (One)	1 (One)

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

The composition of CSR committee, CSR Policy and CSR projects approved by the board can be viewed on the company's website at <https://www.saregama.com/static/investors>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report):

Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
Not Applicable			

6. Average net profit of the company as per section 135(5): ₹6,859.27 lacs

7. (a) Two percent of average net profit of the company as per section 135(5): ₹137.19 lacs

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL

(c) Amount required to be set off for the financial year, if any: NIL

(d) Total CSR obligation for the financial year (7a+7b-7c): ₹137.19 lacs

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
-	137.19 lacs	29.04.2021		-	

BOARDS' REPORT (contd.)

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project		(6) Project duration	(7) Amount allocated for the project (in Rs.)	(8) Amount spent in the current financial year (in Rs.)	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	(10) Mode of Implementation - Direct (Yes/No)	(11) Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
1	Setting up of an IB School in Kolkata with most modern facilities	Promoting education	Yes	West Bengal	Kolkata	Expected to be Completed by the end of financial year 2022-23	137.19 lacs	Nil	137.19 lacs	No	RP-Sanjiv Goenka CSR Trust	CSR00002382
Total												

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project		(6) Amount spent for the project	(7) Mode of Implementation - Direct (Yes/No)	(8) Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
Not Applicable									

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Nil

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	137.19 lacs
(ii)	Total amount spent for the Financial Year	137.19 lacs
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135(6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs)	Date of transfer	
Not Applicable							

BOARDS' REPORT (contd.)

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs.)	Cumulative amount spent at the end of reporting Financial Year (in Rs.)	Status of the project - Completed/ Ongoing
Not Applicable								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: Not Applicable (asset-wise details)

(a) Date of creation or acquisition of the capital asset(s):

(b) Amount of CSR spent for creation or acquisition of capital asset:

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.:

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset):

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Dr. Sanjiv Goenka
Chairman and Non-Executive Director
DIN: 00074796

Noshir Framjee
Director
DIN: 01646640

Date: 12.05.2021
Place: Kolkata

BOARDS' REPORT (contd.)

“Annexure B” to Directors report**POLICY FOR DIVIDEND DISTRIBUTION OF SAREGAMA INDIA LIMITED**

This policy applies to the distribution of dividend by Saregama India Limited (the “Company”) in accordance with the provisions of the Companies Act, 2013 (“Act”) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (Listing Regulations) as amended.

Definitions

The terms referred to in the policy will have the same meaning as defined under the Act and the Rules made thereunder, and the Listing Regulations.

Background

This Policy is in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘SEBI Regulation’), as amended. A copy of the Policy is disclosed on the Company’s website and a we link is provided in the Annual Report of the Company.

This policy sets out the parameters and circumstances that will be taken into account by the Board of Directors of the Company (‘the Board’) in determining the distribution of dividend to its shareholders and/or retaining profits earned by the Company.

Effective Date

This Policy is effective from the financial year 2021-2022 .

The Board of Directors may in extraordinary circumstances, deviate from the parameters listed in this policy.

Guidelines for Distribution of Dividend**a. The circumstances under which the shareholders may or may not expect dividend;**

The Company shall comply with the relevant statutory requirements that are applicable to the Company in declaring dividend or retaining its earnings. Generally, the Board shall determine the dividend for a particular period after taking into consideration the financial performance of the Company, the advice of executive management, and other parameters described in this policy.

b. The financial /internal parameters that shall be considered while declaring dividend;

The Board shall consider, amongst others, the following financial parameters while declaring dividend or recommending dividend to shareholders:

- Capital allocation plans including:
 - o Expected cash requirements of the Company towards working capital, capital expenditure in Content, technology and Infrastructure etc.;
 - o Investments required towards execution of the Company’s strategy;
 - o Funds required for any acquisitions that the Board may approve; and
 - o Any share buy-back plans.
- Minimum cash required for contingencies or unforeseen events;
- Funds required to service any outstanding loans;
- Liquidity and return ratios;
- Any other significant developments that require cash investments, or, retention of fund.

c. External factors that shall be considered for declaration of dividend;

The Board shall consider, amongst others, the following external parameters while declaring dividend or recommending dividend to shareholders:

- Any significant changes in macro-economic environment affecting India or the geographies in which the Company operates, or the business of the Company or its customers;
- Any political, tax and regulatory changes, or, likely changes in India or any other geographies in which the Company operates;
- Any significant change in the business or technological environment resulting in the Company making significant investments to effect the necessary changes to its business model;
- Any changes in the competitive environment requiring significant investment.

BOARDS' REPORT (contd.)

d. Policy as to how the retained earnings shall be utilized.

The consolidated profits earned by the Company can either be retained in the business and used for various purposes like those outlined in clause (b) above or the whole or a part of it can be distributed to the shareholders.

e. Provisions in regard to various classes of shares.

The provisions contained in this policy shall apply to all classes of Shares of the Company. It may be noted that currently the Company has only one class of shares, namely, Equity Shares.

The Board may declare interim dividend(s) as and when they consider it fit, and, in addition to such interim dividend, may recommend final dividend to the shareholders for their approval in the annual general meeting of the Company.

Review

This policy will be reviewed and amended as and when required by the Board.

Limitation and Amendment

In the event of any conflict between the provisions of this policy and of the Act or Listing Regulations or any other statutory enactments, rules (cumulatively, 'the statutory provisions'), the said statutory provisions shall prevail over this policy. Any subsequent amendment / modification in the Act, Listing Regulations, and/or applicable laws in this regard shall automatically apply to this policy.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Dr. Sanjiv Goenka
Chairman and Non-Executive Director
DIN:00074796

Vikram Mehra
Managing Director
DIN: 03556680

Date: May 12, 2021
Place: Kolkata

BOARDS' REPORT (contd.)

"ANNEXURE C" to 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 2020-21 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2020-21 are as under :

Sl. No.	Name of Director / KMP and Designation	Remuneration of Director / KMP for financial year 2020-21 (₹ in Lakhs)	% increase in Remuneration in the Financial Year 2020-21	Ratio of remuneration of each Director / to median remuneration of employees
1.	Mr. Vikram Mehra, Managing Director [®]	642.29	8.29%	64.23:1
2.	Mr. Vineet Garg, Chief Financial Officer	182.88	11.55%	N.A
3.	Mrs. Kamana Goenka, Company Secretary	15.06	4.44%	N.A

[®]The above remuneration does not include perquisite value of interest free loan and perquisite value of shares options exercised during the year aggregating to ₹ 1,341.75 Lakhs for the year ended 31 March 2021, as defined under the Income-tax Act, 1961.

Note: No other Director of the Company other than the Managing Director of the Company received any remuneration other than sitting fees during the financial year 2020-21.

- ii) In the financial year, there was an increase of 7.60% in the median remuneration of employees.
- iii) There were 266 permanent employees on the rolls of Company as on March 31, 2021.
- iv) Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year 2020-21 was 7.88% whereas the increase in the managerial remuneration for the same financial year was 8.29%
- v) It is hereby affirmed that the remuneration paid during the Financial Year ended 31st March, 2021 is as per the Remuneration Policy of the Company.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Dr. Sanjiv Goenka
Chairman and Non-Executive Director
DIN:00074796

Vikram Mehra
Managing Director
DIN: 03556680

Date: May 12, 2021
Place: Kolkata

BOARDS' REPORT (contd.)

Annexure 'D' to the Directors' Report

Form No. MR - 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

[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 31st March, 2021 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 31st March, 2021 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) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - (g) 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;

BOARDS' REPORT (contd.)

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

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.

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

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 and BSE Ltd. However, the Company had been Voluntary delisted from Calcutta Stock Exchange w.e.f. 07.12.2020 as evident from Letter dated 04.12.2020 provided by the Management of the Company.

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 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 the Company had suitably dealt with the notice received from BSE and NSE for regulations 17(1) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

We further report that due to the spread of COVID-19 pandemic, compliances had been considering the various relaxations granted, from time to time, by the Securities and Exchange Board of India and the Ministry of Corporate Affairs and other Regulatory authorities, as applicable.

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

- i. allotted 2000 equity shares under the Saregama Employees Stock Option Scheme 2013 by passing circular resolution in Nomination & Remuneration Committee held on 10.09.2020.
- ii. cancelled entire 1,00,000 SARs previously issued on 31.07.2018 under the Stock Appreciation Rights Scheme 2018 by passing resolution in the Nomination and Remuneration Committee vide meeting dated 30.06.2020.
- iii. the Nomination and Remuneration Committee approved transfer of 2,00,000 equity shares from Saregama Welfare Trust to eligible employee against receipt of exercise price for exercise of 2,00,000 vested options under Saregama Employee Stock Option Scheme 2013 letter dated January 19, 2021.
- iv. made Variation in the remuneration paid/ payable to Mr. Vikram Mehra (DIN: 03556680), Managing Director with effect from 01.07.2019 as approved by shareholders at the Annual General Meeting held on 11.08.2020

BOARDS' REPORT (contd.)

- v. re-appointed Mr. Umang Kanoria (DIN: 00081108) as a Non-Executive Independent Director of the Company for a period of 5 years with effect from 28th September 2020 as approved by shareholders at the Annual General Meeting held on 11.08.2020.
- vi. re-appointed Mr. Santanu Bhattacharya (DIN: 01794958) as a Non-Executive Independent Director of the Company for a period of 5 years with effect from 22nd December 2020 as approved by shareholders at the Annual General Meeting held on 11.08.2020.
- vii. re-appointed Mr. Arindam Sarkar (DIN: 06938957) as a Non-Executive Independent Director of the Company for a period of 5 years with effect from 22nd December 2020 as approved by shareholders at the Annual General Meeting held on 11.08.2020.
- viii. appointed Ms. Kusum Dadoo (DIN: 06967827) as a Non-Executive Independent Woman Director for a period of 5 years w.e.f 5th June 2020.
- ix. Obtained approval of shareholders at the Annual General Meeting held on 11.08.2020 for payment of Commission to Non-Executive Directors.

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: F004515C000292033

Place : Kolkata
Date : May 12, 2021

Note: In view of the situation emerging out of the outbreak of second wave of COVID-19 Pandemic, physical documents, records & other papers of the Company for the year ended March 31st, 2021 required by us for our examination were obtained from the Company through electronic Mode only and verified to the extent possible.

BOARDS' REPORT (contd.)

“ANNEXURE – A”
(TO THE SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021)

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial Records is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the Audit practices and processes as where appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial Records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibilities of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For MR & Associates
Company Secretaries

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

Place : Kolkata
Date : May 12, 2021

UDIN: F004515C000292033

Note: In view of the situation emerging out of the outbreak of second wave of COVID-19 Pandemic, physical documents, records & other papers of the Company for the year ended March 31st, 2021 required by us for our examination were obtained from the Company through electronic Mode only and verified to the extent possible.

BUSINESS RESPONSIBILITY REPORT

Annexure E" to Directors 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 2020-21
7	Sector(s) that the Company is engaged in	Media and Entertainment
8	3 key products/services manufactured/provided by the Company	<ul style="list-style-type: none"> • Monetization of IP rights by way of right to use and sales of physical Products (Carvaan, Mini Carvaan, Music Cards, etc.) • Income from films and monetization of free commercial time of television serials • Publishing Business (Open Magazine)
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 and Delhi
10	Markets served by the Company	Local/State/National/International
Section B Financial details of the Company		
1	Paid up capital (INR)	INR 17,42,80,120
2	Total turnover (INR)	INR 46,332.60 lakhs
3	Total profit after tax (INR)	INR 10,701.79 lakhs
4	Total spending on CSR as percentage of PAT (%)	INR 137.19 lakhs (2% of Average net profit/(Loss) of the company for last three financial years - INR 6,859.50 lakhs)
5	List of the activities in which expenditure in 4 above has been incurred	The same was transferred to Unspent CSR Account as per section 135(6) of the Companies Act, 2013
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 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 BR policy/policies as per National Voluntary Guidelines (NVGs)

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 regulations and principles of NVGs issued by the Ministry of Corporate Affairs						--	The policies are in line with applicable regulations and principles of NVGs 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						--	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?	Yes						--	Yes	
6	Indicate the link for the policy to be viewed online?	The policies are available on the Company's official website. www.saregama.com						--	The policies are available on the Company's official website. www.saregama.com	
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes						--	Yes	
8	Does the company have in-house structure to implement the policy/policies	Yes						--	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						--	Yes	
10	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Yes						--	Yes	

BUSINESS RESPONSIBILITY REPORT (contd.)

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

Sr. 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 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 Company's business responsibility performance is reviewed by the Board of Directors on an annual basis.
Does the Company publish BR or Sustainability Report? What is 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 2020-21. The report is available at www.saregama.com

Section E Principle –wise performance
Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

For Saregama, ethics, transparency and accountability are the foundational values which guide the Company in conducting its business responsibly. In line with these values and to promote good governance practices, the Company has adopted various policies.

The Company's Code of Conduct (CoC) covers all the Board Members and the Senior Management and is aimed at ensuring that the needs of all stakeholders are met with minimal conflicts and optimal benefits. Additionally, there is a Code of Conduct to Regulate, Monitor and Report Insider Trading by Insiders as well as an Ethics Policy, which ensures fair dealings with customers, suppliers and colleagues.

The Company's Whistle Blower Policy / Vigil Mechanism is framed to ensure that the Directors and employees can report their concerns including any policy related violations. In order to promote ethical behavior among its sphere of influence, Saregama has also adopted Supplier Guidelines which encourage the Company's suppliers to uphold ethics and integrity in their operations.

During the reporting year, the Company has not received any stakeholder complaints pertaining to the violations of Whistle Blower Policy.

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

Saregama's business activities primarily entail creation and monetization of music and film content, therefore, the Company does not have direct significant impact on the environment as there is no manufacturing activity undertaken.

However, in line with its commitment towards environmental conservation and promotion of responsible business practices, the Company has adopted a Sustainability Policy that addresses its commitment towards sustainability in its own operations as well as in its supply chain.

The Company continues to identify opportunities to decrease its negative environmental footprint and has implemented several measures in this regard. These include use of 100% recyclable plastic, use of biodegradable or recyclable packaging material and phase out of thermocol packaging material for Saregama's flagship music product – Carvaan. In addition, Saregama also plays a critical social role through its films by creating awareness amongst youth about prevailing social issues and promoting a safe and inclusive environment for all.

The Company also has adopted Supplier Guidelines designed to encourage its suppliers to enhance their environmental and social performance. Furthermore, Saregama is also guiding its vendors and suppliers to develop responsibly and grow by sharing best practices and encouraging them to adopt better, more efficient technologies for continuous improvement.

BUSINESS RESPONSIBILITY REPORT (contd.)

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

Saregama strives to create a safe and enriching work culture where employees are encouraged to focus on their personal as well as professional growth. As of 31st March 2021, there were 64 women employees among a total of 266 permanent employees, whereas 357 employees were hired on temporary/contractual/casual basis. During the reporting year, the Company had no differently abled employee nor any employee association recognized by the management.

The Company motivates its workforce to enhance their skills which is essential for self-development and career progression as well as growth of the Company. All new employees are provided trainings on specific programs to familiarize them with the Company and for easier integration into their respective roles. Apart from new employees, depending on the identified needs and requirements from different departments, trainings for skill upgradation and soft skills are also conducted, including Sales Training, Early Leaders' Behavioral Training and Young Managers' Program to name a few.

Saregama is an equal opportunity employer and all individuals are treated with respect and dignity. The Company has zero tolerance towards any form of discrimination and harassment and has adopted a Prevention of Sexual Harassment Policy. The Company did not receive any complaints relating to child labor, forced labor, involuntary labor, sexual harassment or discriminatory employment in the reporting year and none were pending as on 31st March 2021.

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

Saregama has identified its various stakeholders comprising of different groups such as employees, customers, investors, regulatory bodies, suppliers, vendors and local community. The Company endeavors to create a positive impact for all the stakeholders through various initiatives for promoting inclusive growth and development of the society. In line with this, Saregama has a Corporate Social Responsibility (CSR) Policy to guide the initiatives which are focused on community development, including healthcare, education and other programs for the underprivileged members of the society.

Principle 5: Businesses should respect and promote human rights

Saregama is committed to fostering a culture of respect and dignity for all and has appropriate policies and systems in place to ensure compliance with all the applicable laws on human rights. The Company has adopted a Human Rights Policy applicable to all its business activities and individuals associated with the Company. To this end, no complaints pertaining to violations of human rights were received during the reporting year.

In addition, the Company's Supplier Guidelines are aimed at promoting human rights related compliances within the Company's supply chain.

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

Saregama as a company does not have any manufacturing facility, hence there are no significant adverse impacts on the natural environment on account of the Company's business activities. The Company endeavors to promote environment-friendly business practices and in line with this commitment has adopted a Sustainability Policy that states its commitment to become an environmentally responsible company and ensure compliance with all applicable laws pertaining to the protection, preservation and conservation of the natural environment. The Company's Supplier Guidelines also incorporate aspects on environmental compliance and protection aimed at minimizing the adverse environmental impacts within the supply chain.

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

As one of the most prominent music labels of the country, Saregama is a member of various industry associations and takes active part in discussions on issues and challenges faced by the music industry. The Company aspires to positively contribute to discussions as a key member of the associations such as:

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

BUSINESS RESPONSIBILITY REPORT (*contd.*)

Principle 8: Businesses should support inclusive growth and equitable development

The Company's CSR Policy underlines the commitment towards inclusive development of deprived sections of the population. Saregama, in consultation with the relevant stakeholders, continually identifies social needs and designs programs for providing access to healthcare, portable water and appropriate sanitation facilities along with inclusive education, skill development, livelihood generation, environmental conservation and women empowerment.

Saregama's CSR programs are undertaken in association with external NGOs and implementing agencies, while a few initiatives are implemented directly by the Company. The Company regularly monitors and evaluates the progress of CSR projects through annual surveys conducted through third parties to measure the impact of each project against pre-determined criteria which helps in assessing the level of impact, beneficiary and stakeholder perceptions and their level of satisfaction.

In order to ensure long-term sustainability of the projects and instill a sense of ownership within the beneficiaries, the company regularly interacts with the community members belonging to the different stakeholder groups relevant to the projects and encourages them to participate, contribute and take ownership. The CSR funds for FY 2020-21 were transferred to the Unspent CSR account as per section 135(6) of the Companies Act, 2013. For further details on our CSR related spend in the reporting year, please refer to the Annual Report on Corporate Social Responsibility (CSR) Activities in the Annual Report

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

Customer centricity is at the forefront for Saregama and this is reflected in the Company's product offerings and customer engagement initiatives. The Company has a Policy on Providing Value to Customers which reflects its commitment to engaging with and serving customers in a responsible manner. An example of its excellent customer service, the Company offers a doorstep service facility, wherein the customer support team members visit the customer's residence to resolve product related issues within a specified time frame.

Saregama's flagship product Carvaan, a digital audio player, along with its variants, is designed to provide content popular amongst all age groups. The Company displays all the product information on the product packaging, as mandated by the applicable local laws.

The Company uses various forms of digital media to reach out to audiences/customers and enhances its products and services based on their feedback. The Company uses a tool to track the social listening patterns and the online mentions that the brand receives in order to measure customer satisfaction. Additionally, a customer satisfaction survey is also carried out for all customer complaint calls that are received by the customer care team.

There are no pending stakeholder cases against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior as on 31st March 2021. There are no consumer cases pending as on 31st March 2021.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Dr. Sanjiv Goenka
Chairman and Non-Executive Director
DIN:00074796

Vikram Mehra
Managing Director
DIN: 03556680

Date: May 12, 2021
Place: Kolkata

REPORT ON CORPORATE GOVERNANCE

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. Audit Committee
- IV. Nomination and Remuneration Committee
- V. Stakeholders Relationship Committee
- VI. Corporate Social Responsibility Committee
- VII. Finance Committee
- VIII. General Body Meetings
- IX. Other Disclosures
- X. Means of Communication
- XI. 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, 2021:

The Board composition is in conformity with Regulation 17 of the SEBI LODR Regulations read with Section 149 of the Act. The Board of the Company consists of a mix of Executive as well as Non-Executive Directors with women directors present on its Board. The Chairman of the Board is a Non-Executive Director and more than one-half of the total number of Directors comprises of Non-Executive Independent Directors.

The Company's Board has an optimum combination of Executive and Non-Executive Directors including Women Directors. The Board of Directors of the Company comprises of:

- 8 Non-Executive Directors (including 5 Independent Directors)
- 1 Executive Director

REPORT ON CORPORATE GOVERNANCE (contd.)

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 ten public companies. The maximum no. of Directorships held by all our Directors are well within the limit of 7 listed entities and none of the Directors of our Company serve as an Independent Director in more than 7 listed entities. Besides, the Managing Director of our Company does not serve as an Independent Director in any of the listed entities. All Non-Independent Directors are liable to retire by rotation. During the year under review, Ms. Kusum Dadoo was appointed as a Non-Executive Independent Woman Director w.e.f. June 05, 2020. She resigned from the position w.e.f. February 04, 2021. Ms. Kusum Dadoo confirmed that the resignation was due to personal reasons and that there was no other material reason for the resignation. Further, Ms. Suhana Murshed was appointed as an Additional Non-Executive Independent Woman Director w.e.f. March 23, 2021 for a period of 5 consecutive years. A resolution seeking shareholders' approval for her appointment as an Independent Woman Director along with other required details forms part of the Notice.

During the year under review 5 (Five) Board meetings were held on June 05, 2020; July 31, 2020; October 28, 2020, January 21, 2021 and March 23, 2021. 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, 2021 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 (including convertible instruments)	Directorship in other listed entity (Category of Directorship)
				As Chairperson	As Member		
1.	Dr. Sanjiv Goenka	Chairman (Non-Executive)	9	3	2	Nil	<ol style="list-style-type: none"> 1. CESC Limited [Chairman (Non-Executive)] 2. RPSG Ventures Limited (formerly known as CESC Ventures Ltd.) [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

REPORT ON CORPORATE GOVERNANCE (contd.)

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 (including convertible instruments)	Directorship in other listed entity (Category of Directorship)
				As Chairperson	As Member		
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. – (Non-Executive Independent)
7.	Mr. Noshir Naval Framjee	Non-Executive Independent	4	1	2	Nil	Nil
8.	Mr. Vikram Mehra	Managing Director	1	Nil	Nil	2,00,000 Equity Shares	Nil
9.	Ms. Suhana Murshed	Non-Executive Independent	Nil	Nil	Nil	Nil	Nil
10.	Ms. Kusum Dadoo ³	Non-Executive Independent	-	-	-	-	-

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.

³ Ms. Kusum Dadoo was appointed as a Non-Executive Independent Woman Director of the Company w.e.f. June 05, 2020. She resigned from the position w.e.f. February 04, 2021.

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. No other Directors are related to each other except as mentioned above.

REPORT ON CORPORATE GOVERNANCE (contd.)

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:

Name of Director	Areas of skills/expertise		
	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. Suhana Murshed	-	√	√
Ms. Kusum Dadoo	N.A.*		

* Ms. Kusum Dadoo was appointed as a Non-Executive Independent Woman Director of the Company w.e.f. June 05, 2020. She resigned from the position w.e.f. February 04, 2021.

C. Attendance of Directors at the Board Meetings during the period April 1, 2020 to March 31, 2021 and at the last Annual General Meeting ('AGM').

Sl. No.	Name of Directors	Number of Meetings Attended out of five Board Meetings held during the year	Attendance at the last AGM held on August 11, 2020
1.	Dr. Sanjiv Goenka	5	Yes
2.	Mrs. Preeti Goenka	5	Yes
3.	Mrs. Avarna Jain	5	Yes
4.	Mr. Umang Kanoria	4	Yes
5.	Mr. Santanu Bhattacharya	5	Yes
6.	Mr. Arindam Sarkar	5	Yes
7.	Mr. Noshir Naval Framjee	5	Yes
8.	Mr. Vikram Mehra	5	Yes
9.	Ms. Suhana Murshed*	N.A.	N.A.
10.	Ms. Kusum Dadoo**	3	Yes

* Ms. Suhana Murshed was appointed as an Additional Non-Executive Independent Woman Director w.e.f. March 23, 2021.

** Ms. Kusum Dadoo was appointed as a Non-Executive Independent Woman Director of the Company w.e.f. June 05, 2020. She resigned from the position w.e.f. February 04, 2021.

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 place 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. 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.

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 June 05, 2020, July 31, 2020, October 28, 2020 and January 21, 2021.

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.

REPORT ON CORPORATE GOVERNANCE (contd.)

- 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.
- 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 01.04.2019.
- u. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation, etc., on the Company and its shareholders
- v. Review 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.
- w. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee

REPORT ON CORPORATE GOVERNANCE (contd.)

(ii) Composition

The composition of the Audit Committee as on March 31, 2021 is as under:

Name of the Directors	Position	Category of Director	Meetings attended
Mr. Umang Kanoria	Chairman	Non-Executive Independent Director	3
Mr. Santanu Bhattacharya	Member	Non-Executive Independent Director	4
Mr. Noshir Naval Framjee	Member	Non-Executive Independent Director	4

IV. 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.

During the financial year ended March 31, 2021, NRC met 4(four) times on June 05, 2020, June 30, 2020, January 19, 2021 and March 23, 2021.

(ii) Composition

The composition of NRC as on March 31, 2021 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	3
Mr. Santanu Bhattacharya	Member	Non-Executive Independent Director	4

(iii) Performance evaluation criteria for Independent Directors:

The performance evaluation criteria for Independent Directors forms part of the Directors' report.

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

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, 2021 are as follows:

REPORT ON CORPORATE GOVERNANCE (contd.)

Sl. No.	Name of the Directors	Sitting Fees Paid (₹)
1.	Dr. Sanjiv Goenka	1,25,000
2.	Mrs. Preeti Goenka	1,00,000
3.	Mrs. Avarna Jain	1,00,000
4.	Mr. Umang Kanoria	1,40,000
5.	Mr. Santanu Bhattacharya	1,95,000
6.	Mr. Arindam Sarkar	1,00,000
7.	Mr. Noshir Naval Framjee	1,70,000
8.	Ms. Suhana Murshed*	-
9.	Ms. Kusum Dadoo**	60,000
	Total	9,90,000

* Ms. Suhana Murshed was appointed as an Additional Non-Executive Independent Woman Director w.e.f. March 23, 2021.

** Ms. Kusum Dadoo was appointed as a Non-Executive Independent Woman Director of the Company w.e.f. June 05, 2020. She resigned from the position w.e.f. February 04, 2021.

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.

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 NRC and as approved by the BOD at its meetings held on March 23, 2021 Mr. Vikram Mehra's revision in remuneration effective January 1, 2021 has been recommended by the NRC and is subject to approval of the shareholders at the ensuing AGM.

Details of remuneration paid to Mr. Vikram Mehra for the Financial Year 2020-2021 are given hereunder:

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Mr. Vikram Mehra* Managing Director
1.	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	587.74
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	12.31
	(c) Profits in lieu of salary under section 17(3) of Income- tax Act, 1961	-
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission - as % of profit	-
5.	Others, please specify	42.24
	Total	642.29
	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.

REPORT ON CORPORATE GOVERNANCE (contd.)

Sr. No.	Particulars of Remuneration	Mr. Vikram Mehra* Managing Director
	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.

* The above remuneration does not include perquisite value of interest free loan and perquisite value of shares options exercised during the year aggregating to ₹ 1,341.75 Lakhs for the year ended 31 March 2021, as defined under the Income-tax Act, 1961.

The details of remuneration package of Mr. Mehra such salary, benefits, bonuses, stock options, pension etc. forms part of the Notice of 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 Nomination and Remuneration Committee at its meeting held on January 17, 2020 cancelled 2,00,000 Stock Appreciation rights issued to Mr. Vikram Mehra, Managing Director which was 100% vested after 1 year and the said options has been exercised by Mr. Vikram Mehra, Managing Director on January 19, 2021. Further, 90,000 options are also granted to Mr. Mehra by Nomination and Remuneration Committee on 30.06.2020 in lieu of the earlier granted SARs in accordance with the shareholders' approval. The exercise price for these 90,000 options is ₹ 416.20 (the price at which SARs were issued earlier) and it would vest as per the schedule approved by Nomination and Remuneration Committee. The exercise period is 10 years from the date of vesting of earlier issued SARs.

V. 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, 5 (five) Meetings of the Stakeholders Relationship Committee were held on June 05, 2020, August 13, 2020, December 21, 2020, February 17, 2021 and March 16, 2021.

REPORT ON CORPORATE GOVERNANCE (contd.)

The following is the composition of the Stakeholders Relationship Committee as on March 31, 2021:

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

Mrs. Kamana Goenka, Company Secretary acts as Compliance Officer of the Company.

Status of Shareholders' Complaints (including SCORES complaints):

Complaints pending as on April 1, 2020	Nil
Number of complaints	
- received during the year	Nil
- resolved during the year	Nil
Complaints pending as on March 31, 2021	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, 2021 is as under:

Mr. Vikram Mehra, Managing Director

Mr. Vineet Garg, Chief Financial Officer.

The Share Transfer Sub-Committee met 6 times during the financial year ended March 31, 2021.

VI. Corporate Social Responsibility (CSR) Committee

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

- 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;
- Recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- Monitor the CSR policy of the Company from time to time.

During the year, the CSR Committee met once on March 23, 2021. 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

Mrs. Kamana Goenka, Company Secretary acts as Secretary to the Committee.

Independent Directors Meetings

During the year 2020-2021, the Independent Directors viz., Mr. Umang Kanoria, Mr. Santanu Bhattacharya, Mr. Arindam Sarkar, Mr. Noshir Naval Framjee and Ms. Suhana Murshed met on March 24, 2021 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. As on the date of the meeting there were 5 (five) Independent Directors and all of them 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.

REPORT ON CORPORATE GOVERNANCE (contd.)

VII. 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, 5 (five) Meetings of the Finance Committee were held on June 05, 2020, July 31, 2020, November 27, 2020, February 05, 2021, and March 23, 2021.

The details of composition of Finance Committee as on March 31, 2021 is as under:

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

VIII. General Body Meetings

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

Date	Type	Venue	Time	Special Resolutions Passed
August 11, 2020	73rd AGM	The AGM was held through Video Conferencing/Other Audio Visual Means	11.00 AM	Yes
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

Note:

There was no special resolution put through postal ballot last year. As on date no resolution is proposed to be conducted through postal ballot.

IX. 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) During the last three years, there were no penalty or stricture imposed on the Company either by the stock exchanges or SEBI, or any other statutory authority for non-compliance of any matter related to capital markets except penalty of ₹383,500/- each, levied by BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE), for non-appointment of Independent Woman Director for the period from April 01, 2020 to June 04, 2020. In this regard, the Company had duly paid the fine to NSE and applied for waiver of fine with BSE and complied with the provisions of Regulation 17(1) of SEBI LODR Regulations w.e.f. June 05, 2020.
- (iii) The Company has complied with all the requirements of the Listing Agreement with the Stock Exchanges as well as regulations and guidelines of SEBI except for the appointment of atleast one Independent Woman Director as per the provisions of Regulation 17(1) of SEBI LODR Regulations for the period April 01, 2020 to June 04, 2020.

REPORT ON CORPORATE GOVERNANCE (contd.)

- (iv) 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 (31.03.2020 – 5,290) equity shares (relating to cases under litigation / pending clearance from concerned authorities) are in abeyance as on March 31, 2021.
- (v) Laid down procedures for assessment and minimisation of risk are being reviewed and updated periodically by the Board of Directors.
- (vi) **Mandatory requirements of corporate governance:** The Company hereby confirms that it has complied with the corporate governance requirements specified in Regulations 17 to 27 and clause (b) to (i) and (t) of Regulation 46(2) of SEBI LODR Regulations except that the composition of the Board of Directors of the Company was not as per the requirement of the Regulation 17(1) of SEBI LODR Regulations, 2015 for the period April 01, 2020 to June 04, 2020. The Company has appointed an Independent Woman Director w.e.f. June 05, 2020. Further, the non-mandatory requirements are dealt with at the end of the Report.
- (vii) 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, 2021 was placed before the Board of Directors of the Company at its meeting held on May 12, 2021.

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

- (viii) 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.
- (ix) 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.
- (x) 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. There were no Complaints filed, disposed of, or pending during the financial year ended March 31, 2021.
- (xi) The Policy for dealing with Related Party Transactions is available on the website of the Company https://www.saregama.com/static/investors?srgm_tracker=footer.

(xii) **Discretionary Requirements:**

(Regulation 27 of SEBI LODR Regulations)

- a) **Modified opinion(s) in audit report:** There is no audit modification in the Company's financial statements for the year ended March 31, 2021.

Subsidiary Companies

Of the subsidiaries of the Company, the unlisted subsidiaries as on March 31, 2021 does not come under the purview of "material subsidiary" as stipulated in SEBI LODR Regulations. The policy on material subsidiaries is available on the website of the company https://www.saregama.com/static/investors?srgm_tracker=footer.

- (xiii) The total fees for all services paid by Saregama India Limited and its subsidiaries, on a consolidated basis, to the statutory auditor is ₹ 92.94 Lakhs.
- (xiv) The foreign exchange risk and hedging activities forms a part of the financial statements.
- (xv) The Board has accepted all the mandatory recommendations of Audit Committee.

REPORT ON CORPORATE GOVERNANCE (contd.)

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

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	

X. 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

XI. General Shareholder Information

AGM Date, Time and Venue	August 16, 2021 at 12.00 noon through Video Conferencing/Other Audio Visual Means
Financial Year	April to March
Dates of book closure	Tuesday, August 10, 2021, to Monday, August 16, 2021 (both days inclusive)
Interim Dividend Payment Date	Dividend of ₹ 20 per equity share of ₹ 10/- each for the year ended March 31, 2021 was declared by the Board of Directors on March 23, 2021 and paid on April 12, 2021
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 <i>* The equity shares of the Company were voluntarily delisted from The Calcutta Stock Exchange Limited w.e.f. December 07, 2020</i>

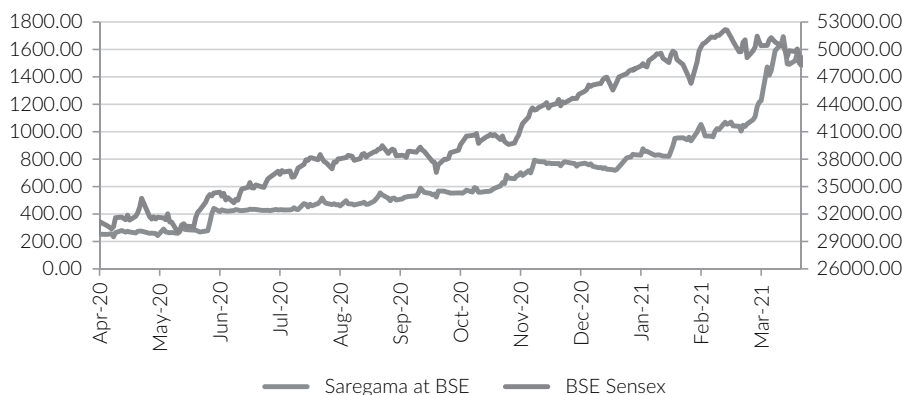
The Company has paid Listing fees for the year 2021-2022 to both the Stock Exchanges.

a) Stock Code :

BSE Limited	:	532163.
National Stock Exchange of India Limited	:	SAREGAMA.
ISIN Number for NSDL and CDSL	:	INE979A01017

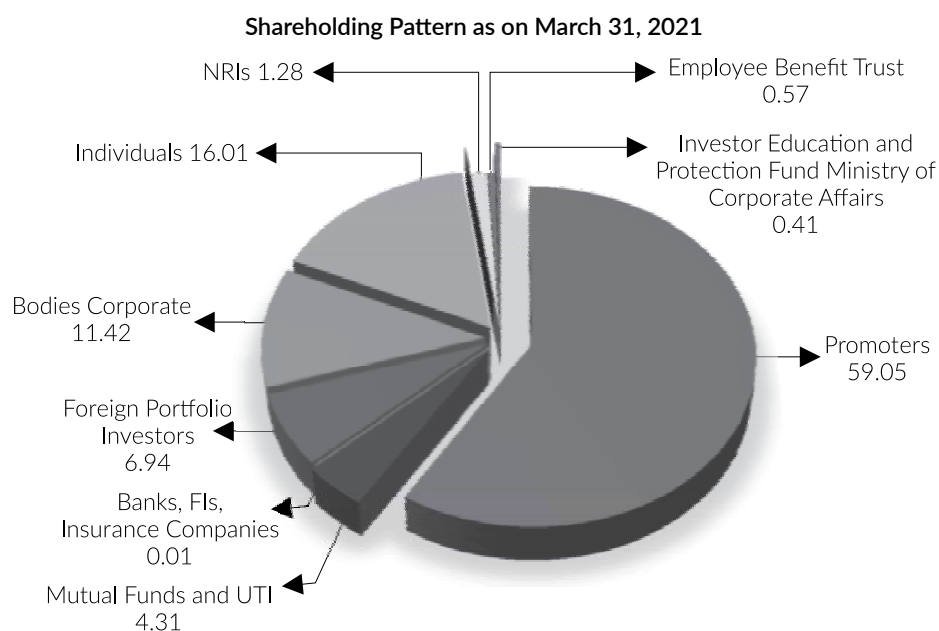
REPORT ON CORPORATE GOVERNANCE (contd.)
b) Market Price Data - As quoted in NSE and BSE and reference of Saregama in comparison with BSE Sensex :

Month	Saregama Share prices with NSE		Saregama Share prices with BSE		BSE Sensex	
	High (₹)	Low (₹)	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2020	286.00	185.25	299.00	192.55	33,887.25	27,500.79
May, 2020	318.00	238.00	317.30	240.00	32,845.48	29,968.45
June, 2020	478.70	273.05	481.00	274.30	35,706.55	32,348.10
July, 2020	538.00	406.30	540.50	412.05	38,617.03	34,927.20
August, 2020	580.70	452.05	579.95	453.55	40,010.17	36,911.23
September, 2020	602.80	489.00	603.00	490.00	39,359.51	36,495.98
October, 2020	717.45	540.05	715.65	543.80	41,048.05	38,410.20
November, 2020	816.00	649.40	816.20	650.00	44,825.37	39,334.92
December, 2020	841.75	694.95	840.00	687.30	47,896.97	44,118.10
January, 2021	1,013.00	801.05	1,013.55	801.30	50,184.01	46,160.46
February, 2021	1,098.00	925.20	1,097.00	927.25	52,516.76	46,433.65
March, 2021	1,740.00	1,055.35	1,747.00	1,056.55	51,821.84	48,236.35

c) Stock Performance of Saregama India Vs. BSE Indices :
Saregama Share Price versus BSE Sensex

d) Shareholding pattern as on March 31, 2021:

Sl. No.	Category	No. of Equity shares held	%
1	Promoters	1,02,91,759	59.05
2	Mutual Funds/UTI	7,51,609	4.31
3	Banks, Financial Institutions, Insurance Companies	2,468	0.01
4	Foreign Portfolio Investors	12,09,142	6.94
5	Bodies Corporate	19,90,248	11.42
6	Individuals	27,89,801	16.01
7	NBFCs registered with RBI	100	0.00
8	NRIs	2,21,989	1.27
9	Employee Benefit Trust as per SEBI (Share Based Employee Benefit) Regulations 2014	1,00,000	0.57
10	Any other - Trust	11	0.00
11	Central / State Government	74	0.00
12	Investor Education and Protection Fund Authority Ministry of Corporate Affairs	70,811	0.41
	Total	1,74,28,012	100.00

REPORT ON CORPORATE GOVERNANCE (contd.)



e) Distribution of Holdings as on March 31, 2021:

Range	Shares	Folios	Percent shares	Percent holders
1 - 500	9,01,080	19235	5.1703	96.3484
501 - 1000	2,56,190	333	1.4700	1.6680
1001 - 2000	2,67,292	176	1.5337	0.8816
2001 - 3000	1,56,301	62	0.8968	0.3106
3001 - 4000	1,26,930	36	0.7283	0.1803
4001 - 5000	1,39,441	30	0.8001	0.1503
5001 - 10000	2,34,636	31	1.3463	0.1553
10001 - 50000	9,39,787	43	5.3924	0.2154
50001 - 100000	5,41,191	7	3.1053	0.0351
100001 And Above	1,38,65,164	11	79.5568	0.0551
Total	1,74,28,012	19964	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.

REPORT ON CORPORATE GOVERNANCE (contd.)

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, 2021, a total of 1,73,48,101 Equity Shares of the Company, constituting 99.54% 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 : 30, 2nd Floor, Spencer Building, Forjett Street, Opp. Bhatia Hospital, Grant Road West, Mumbai 400036

Contact Person : Mrs. Kamana Goenka, Company Secretary

Telephone: (022) 6688 6200 Email: co.sec@saregama.com

l) Certificate from Practicing Company Secretary on Non-Disqualification of Directors

A certificate from practicing company secretary stating 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

Dr. Sanjiv Goenka
Chairman and Non-Executive Director
DIN:00074796

Vikram Mehra
Managing Director
DIN: 03556680

Date: May 12, 2021

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, 2021, 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.

Place: Kolkata
Date: May 12, 2021

Vikram Mehra
Managing Director
DIN - 03556680

REPORT ON CORPORATE GOVERNANCE (contd.)

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

To
The Members,
Saregama India Limited
33, Jessore Road, Dum Dum,
Kolkata 700028

We have examined the compliance of conditions of Corporate Governance by Saregama India Limited ("the Company") for the year ended on March 31, 2021, 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 except for the appointment of atleast one Independent Woman Director as per the provisions of Regulation 17(1) of the Regulations for the period April 01, 2020 to June 04, 2020.

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 M R & Associates
Company Secretaries

Place: Kolkata
Date: 12.05.2021

M R Goenka
Partner
C P No.: 2551
UDIN : F004515C000292957

REPORT ON CORPORATE GOVERNANCE (contd.)

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 explanations furnished to us by the Company & its officers, 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 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, 2021.

Table A

Sr. No.	Name of the Directors	Director Identification Number	Date of appointment in Company
1.	Dr. 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
9.	Suhana Murshed	08572394	23/03/2021

Ensuring the eligibility for the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Makarand M. Joshi & Co.
Practicing Company Secretaries

Kumudini Bhalerao
Partner
FCS No. 6667
CP No. 6690

Place: Mumbai
Date: 11-05-2021
UDIN: F006667C000278873

INDEPENDENT AUDITORS' REPORT ON THE STANDALONE FINANCIAL STATEMENTS

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 2021, 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 2021, and of its 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
<p>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.</p> <p>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.</p> <p>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.</p>	<p>Our audit procedures include the following:</p> <ul style="list-style-type: none"> • 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 assessed 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. <p>We tested the transactions closer to the year end to check the recognition of revenue in the correct period.</p>

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 standalone 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 AUDITORS' REPORT ON THE STANDALONE FINANCIAL STATEMENTS (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/loss 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 standalone 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.

INDEPENDENT AUDITORS' REPORT ON THE STANDALONE FINANCIAL STATEMENTS *(contd.)*

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 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.
2. (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 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 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 standalone 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 2021 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;
 - 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 the standalone financial statements since they do not pertain to the financial year ended 31 March 2021.
- (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 read with Schedule V of the Act. The remuneration paid to one director is in excess of the limit laid down under Section 197 read with Schedule V of the Act, however, necessary approval with respect to the same has been obtained by the Company (refer note 36 to the standalone financial statements). 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: 21055757AAAABM4359

Place: Kolkata

Date: 12 May 2021

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT ON THE STANDALONE FINANCIAL STATEMENTS

Annexure A to the Independent Auditors' report on the standalone financial statements of Saregama India Limited for the year ended 31 March 2021

(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. In respect of immovable properties take on lease and disclosed as right-of-use assets in the standalone financial statements, the lease agreements are 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. Accordingly, the provisions of paragraph 3(iii) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us, the Company has not made any investments, guarantees and security during the year that would attract provisions of Section 185 and Section 186 of the Act. In respect of loan given to one director during the year, the Company has complied with the provision of Section 185 of the Act. In our opinion and accordingly to the information and explanations given to us, the provision of Section 186 of the Act in respect to loan given and 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 Sections 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 2021 for a period of more than six months from the date they became payable.

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT ON THE STANDALONE FINANCIAL STATEMENTS (contd.)

- (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:

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	0.54	1990-91	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	97.78	1989-90, 1994-95, 2000-01	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
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 Duty	52.02	2003-04 to 2007-08	Commissioner of Customs
Income Tax Act, 1961	Income Tax	116.24	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 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 or provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (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.

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT ON THE STANDALONE FINANCIAL STATEMENTS (contd.)

- (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: 21055757AAAABM4359

Place: Kolkata
Date: 12 May 2021

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT ON THE STANDALONE FINANCIAL STATEMENTS

**Annexure B to the Independent Auditors' report on the standalone financial statements of Saregama India Limited for the year ended 31 March 2021
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 2(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 standalone financial statements of Saregama India Limited ("the Company") as of 31 March 2021 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 standalone financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to standalone 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 standalone 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 standalone 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 standalone 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 standalone 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 standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone 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 standalone financial statements.

Meaning of Internal Financial controls with Reference to Standalone Financial Statements

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone 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 standalone 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 standalone financial statements.

Inherent Limitations of Internal Financial controls with Reference to Standalone Financial Statements

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

Place: Kolkata
Date: 12 May 2021

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

Jayanta Mukhopadhyay
Partner
Membership No.: 055757
UDIN: 21055757AAAABM4359

STANDALONE BALANCE SHEET AS AT 31 MARCH 2021

Particulars	Notes	(Amount in Rupees lakhs, except otherwise stated)	
		As at 31 March 2021	As at 31 March 2020
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	3	20,451.77	20,523.22
(b) Right-of-use assets	4	109.46	44.32
(c) Investment properties	5	225.03	230.56
(d) Intangible assets	6	1,787.51	1,103.43
(e) Intangible assets under development		195.02	-
(f) Investment in subsidiaries and joint venture	7	1,864.72	1,864.72
(g) Financial assets			
(i) Investments	8.1	9,120.58	6,185.58
(ii) Loans and deposits	8.2	191.57	437.60
(iii) Other financial assets	8.3	0.25	0.25
(h) Other non-current assets	9	1,116.92	224.81
Total non-current assets		35,062.83	30,614.49
(2) Current assets			
(a) Inventories	10	6,546.82	8,907.39
(b) Financial assets			
(i) Investments	11.1	2,516.38	-
(ii) Trade receivables	11.2	8,959.04	11,030.21
(iii) Cash and cash equivalents	11.3	629.56	329.70
(iv) Bank balances other than (iii) above	11.4	13,383.87	194.61
(v) Loans and deposits	11.5	1,324.77	132.48
(vi) Other financial assets	11.6	185.62	7.32
(c) Current tax assets (net)	12	1,889.18	3,536.40
(d) Other current assets	13	6,986.39	7,162.15
Total current assets		42,421.63	31,300.26
TOTAL ASSETS		77,484.46	61,914.75
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	14.1	1,742.80	1,742.60
(b) Other equity	14.2	49,211.35	39,635.91
Total equity		50,954.15	41,378.51
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	4	74.64	-
(b) Employee benefit obligations	15	354.93	288.09
(c) Deferred tax liabilities (net)	16	4,922.83	4,508.03
Total non-current liabilities		5,352.40	4,796.12
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	17.1	-	633.22
(ii) Lease liabilities	4	35.58	47.03
(iii) Trade payables			
a) Total outstanding dues of micro enterprises and small enterprises	17.2	1.29	2.31
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	17.2	5,259.59	5,217.38
(iv) Other financial liabilities	17.3	6,300.19	2,210.19
(b) Other current liabilities	18	2,336.28	2,273.70
(c) Provisions	19	7,078.51	5,141.00
(d) Employee benefit obligations	20	166.47	215.29
Total current liabilities		21,177.91	15,740.12
TOTAL LIABILITIES		26,530.31	20,536.24
TOTAL EQUITY AND LIABILITIES		77,484.46	61,914.75

The accompanying notes 1 to 44 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 Number: 055757

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

Sanjiv Goenka
Chairman
DIN: 00074796
Vineet Garg
Chief Financial Officer

Vikram Mehra
Managing Director
DIN: 03556680

Kamana Goenka
Company Secretary
ACS: 35161

Place : Kolkata
Date : 12 May 2021

Place : Kolkata
Date : 12 May 2021

Place : Kolkata
Date : 12 May 2021

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2021

Particulars	Notes	(Amount in Rupees lakhs, except otherwise stated)	
		Year ended 31 March 2021	Year ended 31 March 2020
I Revenue from operations	21	43,425.37	50,011.29
II Other income	22	2,907.23	1,148.36
III Total income (I+II)		46,332.60	51,159.65
IV Expenses			
Contract manufacturing charges	23	2,171.64	9,979.42
Cost of production of films and television serials	24	4,649.68	5,408.43
Changes in inventories of finished goods and work-in-progress [(increase)/decrease]	25	2,360.57	336.86
Employee benefits expense	26	5,688.99	5,344.20
Finance costs	27	345.01	671.27
Depreciation and amortisation expense	28	540.04	444.86
Other expenses	29	16,032.17	22,395.65
Total expenses (IV)		31,788.10	44,580.69
V Profit before tax (III-IV)		14,544.50	6,578.96
VI Tax Expense			
- Current tax	30	3,754.55	1,962.38
- Tax related to previous periods	30	-	45.95
- Deferred tax [charge/(credit)]	16	88.16	(328.64)
Total tax expense (VI)		3,842.71	1,679.69
VII Profit for the year (V-VI)		10,701.79	4,899.27
VIII Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
(a) Remeasurements of post-employment benefit obligations		(22.58)	(93.73)
(b) Changes in fair value of equity instruments designated at FVOCI		2,859.41	(5,938.01)
(c) Income tax relating to items that will not be reclassified subsequently to profit or loss	16	(328.28)	710.71
Other comprehensive income for the year, net of tax (VIII)		2,508.55	(5,321.03)
IX Total comprehensive income for the year (VII+VIII)		13,210.34	(421.76)
X Earnings per equity share: [Nominal value per share Rs.10 (previous year - Rs.10)]			
Basic (Rs.)	40	62.39	28.20
Diluted (Rs.)	40	61.78	28.16

The accompanying notes 1 to 44 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 Number: 055757

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

Sanjiv Goenka
Chairman
DIN: 00074796

Vineet Garg
Chief Financial Officer

Vikram Mehra
Managing Director
DIN: 03556680

Kamana Goenka
Company Secretary
ACS: 35161

Place : Kolkata
Date : 12 May 2021

Place : Kolkata
Date : 12 May 2021

Place : Kolkata
Date : 12 May 2021

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

(Amount in Rupees lakhs, except otherwise stated)

A. Equity share capital

Description

As at 1 April 2019

Changes in equity share capital

As at 31 March 2020

Changes in equity share capital

As at 31st March 2021

	Number of shares	Amount
As at 1 April 2019	1,74,10,492	1,741.05
Changes in equity share capital	15,520	1.55
As at 31 March 2020	1,74,26,012	1,742.60
Changes in equity share capital	2,000	0.20
As at 31st March 2021	1,74,28,012	1,742.80

B. Other equity

Particulars	Reserve and surplus						Item of Other Comprehensive Income (OCI)		Total
	General reserve	Securities premium	Share options outstanding reserve	Treasury Shares	Saregama Welfare Trust Reserve	Retained earnings	Revaluation surplus	Equity instruments through OCI	
Balance as 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)
Employee stock option expense (Refer Note 26)	-	-	21.78	-	-	-	-	-	21.78
Effect of modification of share based payment awards {Refer Note 32(c)}	-	-	510.81	-	-	-	-	-	510.81
Purchase of treasury shares by the trust during the year (net) (Refer Note 14.2)	-	-	-	(764.32)	-	-	-	-	(764.32)
Transfer on account of exercise/lapse of options	-	-	(11.48)	-	-	11.48	-	-	-
Deferred Tax on revaluation of property, plant and equipment	-	-	-	-	-	-	27.03	-	27.03
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

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021 (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	Saregama Welfare Trust Reserve	Retained earnings	Revaluation surplus	Equity instruments through OCI	
Balance at 1 April 2020	693.95	9,102.14	535.43	(764.32)	-	17,138.58	10,347.90	2,582.23	39,635.91
Profit for the year	-	-	-	-	-	10,701.79	-	-	10,701.79
Other comprehensive income for the year (net of tax)	-	-	-	-	-	(16.90)	-	2,525.45	2,508.55
Total comprehensive income for the year	-	-	-	-	-	10,684.89	-	2,525.45	13,210.34
Issue of equity shares under Saregama Employee Stock Option Scheme 2013	-	4.67	-	-	-	-	-	-	4.67
Final dividend on equity shares for the financial year 2019-20	-	-	-	-	-	(261.39)	-	-	(261.39)
Interim dividend on equity shares for the financial year 2020-21	-	-	-	-	-	(3,485.60)	-	-	(3,485.60)
Employee stock option expense (Refer Note 26)	-	-	137.71	-	-	-	-	-	137.71
Effect of modification of share based payment awards {Refer Note 32(c)}	-	-	150.61	-	-	-	-	-	150.61
Purchase of treasury shares by the trust during the year (net) (Refer Note 14.2)	-	-	-	(171.18)	-	-	-	-	(171.18)
Adjustment on account of exercise of options	-	-	(509.90)	509.90	-	-	-	-	-
Transfer on account of exercise/lapse of options	-	-	(101.74)	-	-	101.74	-	-	-
Deferred Tax on revaluation of property, plant and equipment	-	-	-	-	-	-	1.64	-	1.64
Expense of Trust for the year	-	-	-	-	(11.36)	-	-	-	(11.36)
Balance at 31 March 2021	693.95	9,106.81	212.11	(425.60)	(11.36)	24,178.22	10,349.54	5,107.68	49,211.35

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 2021 (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) **Saregama Welfare Trust Reserve** : 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 share based benefits to the employees. SWT purchases shares of the Company out of funds provided by the Company. The Company treats SWT as its extension and shares held by SWT are treated as Treasury Shares. Profit/(loss) on sale/transfer of treasury shares (net of tax) and dividend earned on the same by the SWT is recognized in SWT Reserve.
- (vi) **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.
- (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 through Other Comprehensive Income (OCI), net of amounts reclassified, if any, to Retained Earnings when those instruments are disposed of.

The accompanying notes 1 to 44 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 Number: 055757

Place : Kolkata
Date : 12 May 2021

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

Sanjiv Goenka
Chairman
DIN: 00074796

Vineet Garg
Chief Financial Officer

Place : Kolkata
Date : 12 May 2021

Vikram Mehra
Managing Director
DIN: 03556680

Kamana Goenka
Company Secretary
ACS: 35161

Place : Kolkata
Date : 12 May 2021

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 *(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) and the National Stock Exchange (NSE). 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 12 May 2021.

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 relevant 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 2021 *(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

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.
- 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.

The billing schedules agreed with customers include periodic 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 2021 *(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.

Government Grant

The Company may receive government grants that require compliance with certain conditions related to the Company's operating activities or are provided to the Company by way of financial assistance on the basis of certain qualifying criteria.

Accordingly, government grants by way of financial assistance on the basis of certain qualifying criteria are recognised as they become receivable.

(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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 *(contd.)*

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

Music Copyrights acquired through outright purchase are amortised over a period of one to ten years from the date of release of Music. 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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (contd.)

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 of whether it will exercise an extension or a termination option.

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 AS 116 "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.

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.

(h) Inventories

Physical inventory (caravan, music card and others): 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.

Media Content is expensed/amortised as under:

- a. Television serials: Cost of a television serial is fully expensed on telecast/broadcasting.
- b. Digital films: 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 off on licencing of digital rights.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (contd.)

Media cost includes cost of acquisition / direct production cost / royalty. Television serials/Digital films under production are included under 'Work-in-Progress'. Media Content are stated at lower of cost, realisable value or revenue potential. 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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (contd.)

- 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 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 *(contd.)*

(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 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (contd.)

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 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 appreciation 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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (contd.)

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.

(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) Dividend Distribution

Dividends paid are recognised in the period in which the interim dividends are approved by the Board of Directors, or in respect of the final dividend when approved by shareholders.

(w) 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.

(x) 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.

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

Ministry 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 2021.

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (contd.)

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.

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 up to the date of approval of these standalone financial statements and has performed analysis in assessing the recoverability of its assets including trade receivables, inventories, investments, other financial and non-financial assets, for possible impact on these standalone 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 does not anticipate any material impact on these standalone financial statements. However, the actual impact of COVID – 19 on the Company's financial statements may differ from that estimated 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 2021 (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 2020	Additions/ adjustments	Deductions/ adjustments	Cost as at 31 March 2021	As at 1 April 2020	Depreciation for the year	Deductions/ adjustments	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020
Land - Freehold	20,007.76	-	-	20,007.76	-	-	-	-	20,007.76	20,007.76
Buildings - Freehold	70.59	-	-	70.59	27.66	4.06	-	31.72	38.87	42.93
Buildings	37.71	-	-	37.71	3.20	0.80	-	4.00	33.71	34.51
Plant and equipment	3.13	-	-	3.13	3.13	-	-	3.13	-	-
Furniture and fixtures	439.87	4.99	-	444.86	223.89	50.47	-	274.36	170.50	215.98
Office equipment	724.66	104.37	-	829.03	502.62	125.48	-	628.10	200.93	222.04
Vehicles	9.57	-	4.38	5.19	9.57	-	4.38	5.19	-	-
Total	21,293.29	109.36	4.38	21,398.27	770.07	180.81	4.38	946.50	20,451.77	20,523.22

Description	Gross carrying amount				Accumulated depreciation				Carrying amount (net)	
	Cost as at 1 April 2019	Addition/ 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	
Land - Freehold	20,007.76	-	-	20,007.76	-	-	-	-	20,007.76	
Buildings - Freehold	70.59	-	-	70.59	23.69	3.97	-	27.66	42.93	
Buildings	37.71	-	-	37.71	2.40	0.80	-	3.20	34.51	
Plant and equipment	3.13	-	-	3.13	2.42	0.71	-	3.13	-	
Furniture and fixtures	415.07	24.80	-	439.87	174.04	49.85	-	223.89	215.98	
Office equipment	614.13	113.78	3.25	724.66	386.66	117.40	1.44	502.62	222.04	
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	

- 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 2021 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

4 Company as a lessee

Following are the changes in the carrying value of right-of- use assets for the year ended 31 March 2021:

Particulars	Leasehold premises and vehicles
Balance as of 1 April 2020	44.32
Additions	115.91
Deletion	-
Depreciation	50.77
Balance as of 31 March 2021	109.46

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:

Particulars	As at 31 March 2021	As at 31 March 2020
Current lease liabilities	35.58	47.03
Non-current lease liabilities	74.64	-
Total	110.22	47.03

The following is the movement in lease liabilities during the year ended 31 March 2021:

Particulars	Leasehold premises and vehicles
Balance as of 1 April 2020	47.03
Additions	115.91
Finance cost accrued during the year	3.67
Deletion	-
Payment of lease liabilities	56.39
Balance as of 31 March 2021	110.22

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

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 on an undiscounted basis:

Particulars	As at 31 March 2021	As at 31 March 2020
Less than one year	44.85	48.91
One to five years	82.23	-
More than five years	-	-
Total	127.08	48.91

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 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.325.32 Lakhs (2019-20 - Rs.334.79 Lakhs).

The total cash outflow for leases is Rs.381.71 Lakhs (2019-20 - Rs.422.72 Lakhs) for the year, including cash outflow for short term leases and leases of low value assets.

Company as a Lessor

Rent income includes payments of Rs.18.96 Lakhs (2019-20 - Rs.23.58 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 2021	As at 31 March 2020
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	22.15	16.59
Depreciation charge during the year	5.53	5.56
At the end of the year	27.68	22.15
Carrying amount (net)	225.03	230.56

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

(i) Amounts recognised in statement of profit and loss for investment properties

	Year ended 31 March 2021	Year ended 31 March 2020
Rental income (Refer Note 22)	18.96	23.58
Profit from investment properties before depreciation	18.96	23.58
Depreciation (Refer Note 28)	5.53	5.56
Profit from investment properties	13.43	18.02

(ii) Fair value

	As at 31 March 2021	As at 31 March 2020
Investment properties	2,049.28	1,874.01

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.

6 Intangible assets

Description	Gross carrying amount				Accumulated amortisation and impairment							Carrying amount (net)	
	Cost as at 1 April 2020	Additions/ adjustments	Deductions/ adjustments	Cost as at 31 March 2021	Amortisation as at 1 April 2020	Impairment as at 1 April 2020	Amortisation for the year	Impairment/ (Reversal) for the year	Deductions/ adjustments	Amortisation as at 31 March 2021	Impairment as at 31 March 2021	As at 31 March 2021	As at 31 March 2020
Copyrights- Music	1,723.84	978.73	-	2,702.57	627.99	-	297.70	-	-	925.69	-	1,776.88	1,095.86
Computer Software	72.98	8.28	-	81.26	65.40	-	5.23	-	-	70.63	-	10.63	7.58
Total	1,796.82	987.01	-	2,783.83	693.39	-	302.93	-	-	996.32	-	1,787.51	1,103.43

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	
Copyrights- Music	1,128.85	594.99	-	1,723.84	447.99	-	180.00	-	-	627.99	-	1,095.85	
Computer Software	66.94	6.04	-	72.98	60.45	-	4.95	-	-	65.40	-	7.58	
Total	1,195.79	601.03	-	1,796.82	508.44	-	184.95	-	-	693.39	-	1,103.43	

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).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

7 Investment in subsidiaries and joint venture

	Face value of each unit as at 31 March 2021	Face value of each unit as at 31 March 2020	Number of shares as at 31 March 2021	Number of shares as at 31 March 2020	As at 31 March 2021	As at 31 March 2020
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 Saregama Plc.)	1 pence	1 pence	76,29,072	76,29,072	8.82	8.82
Less: Provision for impairment in the value of Investment					(8.82)	(8.82)
b) RPG Global Music Ltd.	US \$ 1	US \$ 1	23,14,885	23,14,885	-	-
c) Kolkata Metro Networks Ltd.	Rs.10	Rs.10	1,70,50,000	1,70,50,000	1,554.10	1,554.10
d) Open Media Network Private Limited	Rs.10	Rs.10	7,08,27,000	7,08,27,000	6,975.14	6,975.14
Less: Provision for impairment in the value of Investment					(6,975.14)	(6,975.14)
e) Saregama FZE	AED 1,000 each	AED 1,000 each	1,500	1,500	310.62	310.62
Aggregate carrying value of unquoted investments					1,864.72	1,864.72
Aggregate provision for impairment in the value of investments					6,983.96	6,983.96

Under liquidation effective 19th November,2016, referred to in Note 41.

8 Financial assets (non-current)
8.1 Investments

	Face value of each unit as at 31 March 2021	Face value of each unit as at 31 March 2020	Number of shares as at 31 March 2021	Number of shares as at 31 March 2020	As at 31 March 2021	As at 31 March 2020
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	7,478.66	5,150.83
Phillips Carbon Black Limited	Rs.2	Rs.2	500	500	0.95	0.31
Harrisons Malayalam Limited	Rs.10	Rs.10	100	100	0.14	0.05
CFL Capital Financial Services Limited	Rs.10	Rs.10	100	100	0.02	0.02
STEL Holdings Limited	Rs.10	Rs.10	100	100	0.08	0.04
RPSG Ventures Limited (formerly CESC Ventures Limited)	Rs.10	Rs.10	2,51,997	2,51,997	849.61	294.84

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

	Face value of each unit as at 31 March 2021	Face value of each unit as at 31 March 2020	Number of shares as at 31 March 2021	Number of shares as at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Spencers Retail Limited (formerly RP-SG Retail Limited)	Rs 5	Rs 5	8,56,790	7,55,992	604.89	560.95
Unquoted - Fully Paid Equity Shares in Other Companies						
Spencer and Company Limited	Rs.9	Rs.9	200	200	1.04	0.58
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	179.59	172.36
Total investments					9,120.58	6,185.58
Aggregate carrying value of quoted investments and market value thereof					8,934.35	6,007.04
Aggregate carrying value of unquoted investments					186.23	178.54
Aggregate provision for impairment in the value of investments					-	-

Equity shares designated at fair value through other comprehensive income (FVOCI)

	Fair value as at 31 March 2021	Dividend income recognised during 2020-21	Fair value as at 31 March 2020	Dividend income recognised during 2019-20
Investment in CESC Limited	7,478.66	567.00	5,150.83	252.00
Investment in Phillips Carbon Black Limited	0.95	0.03	0.31	0.03
Investment in Harrisons Malayalam Limited	0.14	-	0.05	-
Investment in CFL Capital Financial Services Limited	0.02	-	0.02	-
Investment in STEL Holdings Limited	0.08	-	0.04	-
Investment in RPSG Ventures Limited (formerly CESC Ventures Limited)	849.61	-	294.84	-
Investment in Spencers Retail Limited (formerly RP-SG Retail Limited)	604.89	-	560.95	-
Investment in Spencer and Company Limited	1.04	-	0.58	-
Investment in Woodlands Multispeciality Hospital Limited	5.60	-	5.60	-
Investment in Timbre Media Private Limited	179.59	-	172.36	-
Total	9,120.58	567.03	6,185.58	252.03

8.2 Loans and deposits

	As at 31 March 2021	As at 31 March 2020
Security deposits		
Unsecured, considered good	191.57	437.60
Unsecured, considered doubtful	57.56	-
Less: Provision for doubtful deposits	(57.56)	-
Total loans and deposits	191.57	437.60

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

8.3 Other financial assets

	As at 31 March 2021	As at 31 March 2020
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 2020 - Rs.0.25 Lakhs).

9 Other non-current assets

	As at 31 March 2021	As at 31 March 2020
Capital advances		
Unsecured, considered good	1,058.38	153.87
Unsecured, considered doubtful	36.38	36.38
Less: Provision for doubtful advances	(36.38)	(36.38)
	1,058.38	153.87
Prepaid expenses		
Unsecured, considered good	58.54	70.94
Total other non - current assets	1,116.92	224.81

10 Inventories [Refer note 1(h)]

	As at 31 March 2021	As at 31 March 2020
Finished goods		
Untelecasted television serials/digital films	249.71	264.32
Carvaan/music card and others @	4,163.43	6,807.48
Work-in-progress		
Digital films under production	2,133.68	1,835.59
Total inventories	6,546.82	8,907.39

@ Includes good in transit worth Rs.141.07 Lakhs (31 March 2020 - Rs 82.40 Lakhs).

11 Financial assets (current)

11.1 Investments

	As at 31 March 2021	As at 31 March 2020
Investments carried at fair value through profit and loss		
Units of Mutual funds (quoted)	2,516.38	-
Total investments	2,516.38	-
Aggregate carrying value of quoted investments and market value thereof	2,516.38	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

11.2 Trade Receivables

	As at 31 March 2021	As at 31 March 2020
Trade receivables		
Unsecured, considered good	9,614.72	11,732.28
Credit impaired	353.19	353.19
Less: Allowance for expected credit loss	(1,008.87)	(1,055.26)
Total trade receivables	8,959.04	11,030.21

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 balances of trade receivables owing from related parties (Refer note 36).

11.3 Cash and cash equivalents

	As at 31 March 2021	As at 31 March 2020
Cash on hand	0.95	2.21
Bank balances:		
- Current accounts	628.61	327.49
Total cash and cash equivalents	629.56	329.70

11.4 Other bank balances

	As at 31 March 2021	As at 31 March 2020
Earmarked balances with bank		
Deposits (with original maturity more than 3 months but remaining maturity period less than 12 months) #	9,878.00	174.42
Unpaid dividend accounts @	20.27	20.19
Interim dividend account *	3,485.60	-
Total other bank balances	13,383.87	194.61

Includes Rs.187.96 Lakhs deposited with Delhi Court (31 March 2020 - Rs.174.42 Lakhs).

@ Earmarked for payment of unclaimed dividend.

* Represents amount transferred to dividend escrow account pertaining to interim dividend declared on 23 March 2021.

11.5 Loans and deposits

(Unsecured, considered good unless otherwise stated)

	As at 31 March 2021	As at 31 March 2020
Loans to related parties (Refer Note 36 and 44)	201.33	106.81
Loan to employees **	923.44	25.67
Security deposits	200.00	-
Total loans and deposits	1,324.77	132.48

** includes loan to director (Refer Note 36)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

11.6 Other financial assets

	As at 31 March 2021	As at 31 March 2020
Interest accrued on deposits with banks	185.60	7.24
Interest accrued on Loans to Related Parties (Refer Note 36)		
Unsecured, considered good	0.02	0.08
Total other financial assets	185.62	7.32

12 Current tax assets (net)

	As at 31 March 2021	As at 31 March 2020
Advance payment of Income Tax and Tax Deducted at Source [net of Provision for Taxation Rs. 12,711.75 Lakhs (31 March 2020 - Rs. 8,957.20 Lakhs)]	1,889.18	3,536.40
Total current tax assets (net)	1,889.18	3,536.40

13 Other current assets

(Unsecured, considered good unless otherwise stated)

	As at 31 March 2021	As at 31 March 2020
Minimum guarantee royalty advances	624.83	1,726.16
Royalty advances		
Unsecured, considered good	8.90	54.70
Unsecured, considered doubtful	463.72	472.96
Less: Provision for doubtful advances	(463.72)	(472.96)
	8.90	54.70
Advance against supply of goods and services		
Unsecured, considered good	3,381.45	1,341.35
Unsecured, considered doubtful	324.98	324.98
Less: Provision for doubtful advances	(324.98)	(324.98)
	3,381.45	1,341.35
Prepaid expenses		
Unsecured, considered good	385.68	1,043.58
Unsecured, considered doubtful	44.06	44.06
Less: Provision for doubtful advances	(44.06)	(44.06)
	385.68	1,043.58
Other receivables	61.70	229.87
Balances with government authorities	2,503.75	2,746.41
Advance payment of fringe benefit tax [net of Provision Rs.147.87 Lakhs (31 March 2020 - Rs.147.87 Lakhs)]	20.08	20.08
Total other current assets	6,986.39	7,162.15

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (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 2021		As at 31 March 2020	
	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	1,74,28,012	1,742.80	1,74,26,012	1,742.60
Subscribed and fully paid up				
Ordinary Shares of Rs.10 each	1,74,28,012	1,742.80	1,74,26,012	1,742.60

Reconciliation of number of ordinary shares outstanding

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number of shares	Amount	Number of shares	Amount
As at the beginning of the year	1,74,26,012	1,742.60	1,74,10,492	1,741.05
Add: Issue of shares on exercise of Options	2,000	0.20	15,520	1.55
As at the end of the year	1,74,28,012	1,742.80	1,74,26,012	1,742.60

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 2020 - 5,290) equity shares (relating to cases under litigation/ pending clearance from the concerned authorities) are kept in abeyance as on 31 March 2021.

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 2021		As at 31 March 2020	
	Number of shares held	Amount	Number of shares held	Amount
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 2021		As at 31 March 2020	
	Number of shares held	Holding percentage	Number of shares held	Holding percentage
Composure Services Private Limited	1,02,91,599	59.05%	1,02,91,599	59.06%

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 2021 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

14.2 Other equity

Particulars	As at 31 March 2021	As at 31 March 2020
General reserve	693.95	693.95
Securities premium reserve	9,106.81	9,102.14
Share option outstanding reserve	212.11	535.43
Treasury shares	(425.60)	(764.32)
SWT reserve	(11.36)	-
Retained earnings	24,178.22	17,138.58
Revaluation reserve	10,349.54	10,347.90
Equity Instrument through OCI	5,107.68	2,582.23
Total other equity	49,211.35	39,635.91

- (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 2021	As at 31 March 2020
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 2021	As at 31 March 2020
Balance at the beginning of the year	9,102.14	9,082.42
Add: 2,000 (2019-20 - 15,520) Shares issued on exercise of Options (Refer Note 32)	4.67	19.72
Balance at the end of the year	9,106.81	9,102.14

- (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 2021	As at 31 March 2020
Balance at the beginning of the year	535.43	14.32
Employee stock option expense (Refer Note 26)	137.71	21.78
Effect of modification of share based payment awards {Refer Note 32(c)}	150.61	510.81
Transfer on account of exercise/lapse of options	(101.74)	(11.48)
Adjustment on account of exercise of options	(509.90)	-
Balance at the end of the year	212.11	535.43

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (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 2021	As at 31 March 2020
Balance at the beginning of the year	(764.32)	-
Add: Purchase of treasury shares by the trust during the year (net)	(171.18)	(764.32)
Adjustment on account of exercise of options	509.90	-
Balance at the end of the year	(425.60)	(764.32)

- (v) **SWT reserve** : 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 share based benefits to the employees. SWT purchases shares of the Company out of funds provided by the Company. The Company treats SWT as its extension and shares held by SWT are treated as Treasury Shares. Profit/(loss) on sale/transfer of treasury shares (net of tax) and dividend earned on the same by the SWT is recognized in SWT Reserve.

Particulars	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	-	-
Expense of Trust for the year	(11.36)	-
Balance at the end of the year	(11.36)	-

- (vi) **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 2021	As at 31 March 2020
Balance at the beginning of the year	17,138.58	12,927.99
Net profit for the year	10,701.79	4,899.27
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment benefit obligation (net of tax)	(16.90)	(70.14)
Dividends paid	(261.39)	(522.60)
Dividends distribution tax paid	-	(107.42)
Interim dividend declared	(3,485.60)	-
Transfer on account of exercise/lapse of options	101.74	11.48
Balance at the end of the year	24,178.22	17,138.58

- (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 2021	As at 31 March 2020
Balance at the beginning of the year	10,347.90	10,320.87
Deferred tax on revaluation of PPE	1.64	27.03
Balance at the end of the year	10,349.54	10,347.90

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

- (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 2021	As at 31 March 2020
Balance at the beginning of the year	2,582.23	7,833.12
Changes in fair value of FVOCI equity instruments during the year	2,859.41	(5,938.01)
Deferred tax on above	(333.96)	687.12
Balance at the end of the year	5,107.68	2,582.23

- 15 **Employee benefit obligations (non-current)**

	As at 31 March 2021	As at 31 March 2020
Leave encashment obligations (Refer Note 31)	354.93	288.09
Total employee benefit obligations (non-current)	354.93	288.09

- 16 **Deferred tax liabilities (net)**

The balance comprises temporary differences attributable to:

	Balance as at 1 April 2020	Recognised to profit or loss during the year	Recognised to/ reclassified from OCI	Recognised directly to other equity	Balance as at 31 March 2021
Deferred tax liability					
Fair value changes on financial assets-equity instruments/ mutual fund	363.89	4.15	333.96	-	702.00
Property, plant and equipment, right-of-use assets, intangible assets and investment property	4,301.44	21.79	-	(1.64)	4,321.59
Minimum guarantee royalty advance	216.86	(75.36)	-	-	141.50
Provision for royalty on licence fees	71.53	70.74	-	-	142.27
Total deferred tax liability	4,953.72	21.32	333.96	(1.64)	5,307.36
Deferred tax asset					
Allowance for expected credit loss	265.59	(11.68)	-	-	253.91
Expenditure allowable for tax purpose in subsequent years	104.37	(9.00)	5.68	-	101.05
Income received in advance-digital film	18.62	(16.79)	-	-	1.83
Lease Liabilities	11.84	15.90	-	-	27.74
Others	45.27	(45.27)	-	-	-
Total deferred tax asset	445.69	(66.84)	5.68	-	384.53
Net deferred tax liability	4,508.03	88.16	328.28	(1.64)	4,922.83

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

	Balance as at 1 April 2019	Recognised to profit or loss during the year	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	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

17 Financial liabilities (current)**17.1 Borrowings**

Secured

Loan repayable on demand from banks*

Total borrowings (current)

	As at 31 March 2021	As at 31 March 2020
Loan repayable on demand from banks*	-	633.22
Total borrowings (current)	-	633.22

* Cash Credit from Banks bearing interest rate between 7.70% to 8.40% p.a. (2019-20: 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), (11.2), (11.4), (11.5) and (11.6) 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

Trade Payables

a) Total outstanding dues of micro enterprises and small enterprises (refer below)

b) Total outstanding dues of creditors other than micro enterprises and small enterprises

Total trade payables

	As at 31 March 2021	As at 31 March 2020
a) Total outstanding dues of micro enterprises and small enterprises (refer below)	1.29	2.31
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	5,259.59	5,217.38
Total trade payables	5,260.88	5,219.69

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

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 2021	As at 31 March 2020
(a) The Principal amount and interest due thereon remaining unpaid to suppliers under MSMED as at the end of accounting year		
Principal	0.93	0.57
Interest	0.10	0.22
(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	2.02	0.58
Interest	1.54	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	0.16	0.55
(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 1.74 Lakhs (31 March 2020 - Rs.1.30 Lakh being interest outstanding as at the beginning of the accounting year]	0.36	1.74

17.3 Other financial liabilities

	As at 31 March 2021	As at 31 March 2020
Security deposit		
Security deposit from dealers and others	15.25	54.99
Security deposit from General Insurance Corporation of India on sub lease of property	18.01	18.01
Unpaid Dividends*	20.27	20.19
Others		
Dealer's incentive	59.94	93.90
Liabilities for expenses	1,795.93	1,015.26
Employee benefits payable	702.29	804.94
Interest accrued and due on deposits from dealers	50.32	50.32
Liability towards deposits received under settlement	152.58	152.58
Proposed interim dividend	3,485.60	-
Total other financial liabilities	6,300.19	2,210.19

* 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

18 Other current liabilities

	As at 31 March 2021	As at 31 March 2020
Income received in advance	1,743.43	1,742.56
Advance from customers	255.48	265.55
Amount payable to Government authorities*	277.87	206.09
Others	59.50	59.50
Total other current liabilities	2,336.28	2,273.70

*Primarily include payables in respect of Goods and Services Tax (GST) and tax deducted at source (TDS).

19 Provisions

	As at 31 March 2021	As at 31 March 2020
Other provisions		
Provision for royalty on licence fees (Refer note 19.1)	7,078.51	5,141.00
Total provisions	7,078.51	5,141.00

19.1 Movement of Provision for Royalty on Licence Fees

	As at 31 March 2021	As at 31 March 2020
Carrying amount at the beginning of the year	5,141.00	3,555.33
Charged/(credited) to profit or loss		
- created during the year	4,445.44	2,961.95
- discounting on provision created	(567.41)	(281.24)
- unwinding of discount on provision created	286.30	326.83
- unused amounts reversed	(261.41)	(120.09)
Amounts utilised / transferred during the year	(1,965.41)	(1,301.78)
Carrying amount at the end of the year	7,078.51	5,141.00

20 Employee benefit obligations (current)

	As at 31 March 2021	As at 31 March 2020
Leave encashment obligations (Refer Note 31)	73.74	76.08
Gratuity (Refer Note 31)	92.73	139.21
Total employee benefit obligations (current)	166.47	215.29

21 Revenue from operations

	Year ended 31 March 2021	Year ended 31 March 2020
Sale of products	8,479.64	19,271.57
Sale of services		
Income from films and television serials	5,210.37	7,024.52
Licence fees	28,359.61	23,469.05
Other operating revenue*	1,375.75	246.15
Total revenue from operations	43,425.37	50,011.29

*Includes export incentives of Rs. 915.15 Lakhs (Previous year Rs. 207.02 Lakhs) on account of Service Exports from India Scheme.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by primary geography market, major 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 2021	Year ended 31 March 2020	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2021	Year ended 31 March 2020
Revenue by Geography						
Domestic	8,370.48	19,245.72	18,881.93	14,773.38	4,622.71	6,481.70
International	109.16	25.85	9,477.68	8,695.67	587.66	542.82
	8,479.64	19,271.57	28,359.61	23,469.05	5,210.37	7,024.52
Timing of Revenue Recognition						
Products and services transferred at a point in time	8,479.64	19,271.57	7,439.08	8,534.94	5,210.37	7,024.52
Products and services transferred over time	-	-	20,920.53	14,934.11	-	-
Total Revenue from Contracts with customers	8,479.64	19,271.57	28,359.61	23,469.05	5,210.37	7,024.52

Contract Balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

	As at 31 March 2021	As at 31 March 2020
Receivables, which are included in 'trade receivables' (Refer Note 11.2)	8,959.04	11,030.21
Contract liabilities, which are included in 'income received in advance' (Refer Note 18)	1,743.43	1,742.56

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.

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:

	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	1,742.56	1,094.78
Revenue recognised that was included in the contract liabilities at the beginning of the year	(1,742.56)	(1,094.78)
Increase due to invoicing during the year, excluding amounts recognised as revenue during the year	1,743.43	1,742.56
Balance at the end of the year	1,743.43	1,742.56

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

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 2021	Year ended 31 March 2020
Contracted prices	42,915.28	50,695.22
Reductions towards variable consideration components	(865.66)	(930.08)
Revenue recognised*	42,049.62	49,765.14

* 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
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.
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 access 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 television 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (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
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 2021	Year ended 31 March 2020
Liabilities/Provisions no longer required written back	538.13	318.39
Interest income under effective interest method (refer note below)	1,704.52	484.35
Dividend income from equity investments designated at FVOCI*	567.03	252.03
Profit on sale of investment in Mutual Fund	-	0.12
Fair value gain on Mutual Fund at FVTPL	16.51	-
Profit on Sale of property, plant and equipment	0.17	-
Rent Income (Refer Note 4)	18.96	23.58
Net gain on foreign currency transactions	26.35	66.07
Other non-operating income	35.56	3.82
Total other income	2,907.23	1,148.36

Note:

	Year ended 31 March 2021	Year ended 31 March 2020
Above Interest income comprises :		
- Interest income on bank balances and bank deposits	332.01	14.12
- Interest income on income tax refund	665.27	6.86
- Interest income on loan to related parties	24.26	118.19
- Unwinding of discount on financial assets	78.24	61.22
- Discounting of financial liabilities/provision	567.41	281.24
- Other interest	37.33	2.72
Total interest income	1,704.52	484.35

* 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 2021	Year ended 31 March 2020
Contract manufacturing charges	2,171.64	9,979.42
Total contract manufacturing charges	2,171.64	9,979.42

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

24 Cost of production of films and television serials

	Year ended 31 March 2021	Year ended 31 March 2020
Cost of production of films and television serials	4,649.68	5,408.43
Total cost of production of films and television serials	4,649.68	5,408.43

25 Changes in inventories of finished goods and work-in-progress [(increase)/decrease]

	Year ended 31 March 2021		Year ended 31 March 2020	
Opening 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
Less: Closing Stock				
- Finished goods- Untelecasted television serials/digital films	249.71		264.32	
- Finished goods- Carvaan/music card and others	4,163.43		6,807.48	
- Work-in-progress- Digital films under production	2,133.68	6,546.82	1,835.59	8,907.39
Net decrease		2,360.57		336.86

26 Employee benefits expense

	Year ended 31 March 2021	Year ended 31 March 2020
Salaries, wages and bonus	5,099.51	4,824.63
Share based payment expense (Refer Note 32)	137.71	21.78
Contribution to provident and other funds (Refer Note 31)	306.48	290.32
Staff welfare expenses	145.29	207.47
Total employee benefits expense	5,688.99	5,344.20

27 Finance costs

	Year ended 31 March 2021	Year ended 31 March 2020
Interest expense on financial liabilities measured at amortised cost:		
- on loan and others	26.11	301.86
- unwinding of discount on financial liabilities/provision	286.30	326.83
- on lease liabilities	3.67	9.02
Other borrowing costs	28.93	33.56
Total finance costs	345.01	671.27

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

28 Depreciation and amortisation expense

	Year ended 31 March 2021	Year ended 31 March 2020
Depreciation on property, plant and equipment	180.81	172.73
Depreciation on right-of-use assets	50.77	81.62
Depreciation on investment properties	5.53	5.56
Amortisation on Intangible asset	302.93	184.95
Total depreciation and amortisation expense	540.04	444.86

29 Other expenses

	Year ended 31 March 2021	Year ended 31 March 2020
Power and Fuel	79.11	98.75
Rent (Refer Note 4)	325.32	334.79
Repairs - Buildings	106.01	31.89
- Machinery	2.65	-
- Others	34.42	23.84
Royalties	5,666.36	6,127.95
Recording expenses	-	20.26
Carriage, freight and forwarding charges	938.97	1,457.00
Rates and taxes	127.12	136.20
Insurance	77.12	97.45
Travel and conveyance	77.68	650.74
Advertisement and sales promotion	5,445.86	9,416.63
Printing and communication expenses	272.63	303.36
Bad debts/advances written off	22.82	0.88
Allowance for expected credit loss / provision for doubtful advances (net of reversal) [include provision for subsidiary companies refer note 36]	1.93	442.48
Loss on disposal of property, plant and equipment	-	1.81
Legal and consultancy expenses	1,634.22	2,012.56
Corporate social responsibility expenses (Refer Note 29.1)	137.19	113.16
Payment to auditors (Refer Note 39)	66.53	68.83
Miscellaneous expense	1,016.23	1,057.07
Total other expense	16,032.17	22,395.65

29.1 Corporate social responsibility expenses

	Year ended 31 March 2021	Year ended 31 March 2020
(a) Gross Amount required to be spent by the Company during the year	137.19	113.16
(b) Amount paid to RP-Sanjiv Goenka Group CSR Trust towards purposes other than construction/acquisition of assets	-	113.16
(c) Provision outstanding as at 31 March 2021 and 31 March 2020.	137.19	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

30 Tax expenses

A. Tax expense recognised in the Statement of Profit and Loss

	Year ended 31 March 2021	Year ended 31 March 2020
Current tax		
Current tax on profits for the year	3,754.55	1,962.38
Tax related to previous periods	-	45.95
Total current tax	3,754.55	2,008.33
Deferred tax		
Decrease in deferred tax assets	66.84	89.86
Increase/(Decrease) in deferred tax liabilities	21.32	(418.50)
Total deferred tax expense charge/(credit)	88.16	(328.64)
Total tax expense	3,842.71	1,679.69

B. Amount recognised in other comprehensive income

	Year ended 31 March 2021	Year ended 31 March 2020
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	5.68	23.59
Changes in fair value of equity instruments designated at FVOCI	(333.96)	687.12
Total	(328.28)	710.71

C. Reconciliation of tax expense

	Year ended 31 March 2021	Year ended 31 March 2020
Profit before tax	14,544.50	6,578.96
Income tax expense calculated @ 25.17% (31 March 2020 - 25.17%)	3,660.85	1,655.92
Adjustments:		
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Items not deductible for tax purposes	101.05	141.01
Effect of income not taxable	-	(63.44)
Other items	80.81	8.71
Impact of change in statutory tax rate	-	(62.51)
Tax expense	3,842.71	1,679.69

The tax rate used in the above reconciliation for the year 2020-21 and 2019-20 is the tax rate of 25.17% (22% + surcharge @ 10% and education cess @ 4%) payable on taxable profits under the Income Tax Act, 1961.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

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 (LIC) 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 2021	31 March 2020
(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	647.34	487.90
Current service cost	92.43	64.59
Interest cost	39.34	33.68
<u>Remeasurements (gains) / losses</u>		
Actuarial (gain)/ loss arising from changes in financial assumptions	9.24	27.88
Actuarial (gain)/ loss arising from changes in experience adjustments	14.40	60.33
Actuarial (gain)/ loss arising from changes in demographic adjustments	-	-
Benefits paid	(45.60)	(27.04)
Present value of obligation at the end of the year	757.15	647.34
(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	508.13	459.45
Interest Income	35.77	33.36
<u>Remeasurements gains / (losses)</u>		
Return on plan assets (excluding amount included in net interest cost)	1.06	(5.52)
Contributions by employer	140.00	30.00
Benefits paid	(20.54)	(9.16)
Fair value of plan assets at the end of the year	664.42	508.13
(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	757.15	647.34
Fair value of plan assets at the end of the year	664.42	508.13
Liabilities recognised in the balance sheet	92.73	139.21

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

	31 March 2021	31 March 2020
(d) Actual return on plan assets	36.83	27.84
(e) Re-measurements losses/(gains) recognised in the Other Comprehensive Income		
Return on plan assets (excluding amount included in net interest cost)	(1.06)	5.52
Effect of changes in financial assumptions	9.24	27.88
Effect of changes in experience adjustments	14.40	60.33
Total re-measurement losses/(gains) included in Other Comprehensive Income	22.58	93.73
(f) Expense recognised in Statement of Profit or Loss:		
Current service cost	92.43	64.59
Net interest cost	3.57	0.32
Total expense recognised in Statement of Profit and Loss	96.00	64.91
(g) Category of plan assets:	In %	In %
(a) Fund with Life Insurance Corporation of India	69%	63%
(b) NAV based Group Balanced Fund with ICICI Prudential Life Insurance Company Limited	16%	18%
(c) NAV based Group Short Term Debt Fund with ICICI Prudential Life Insurance Company Limited	7%	9%
(d) NAV based Group Debt Fund with ICICI Prudential Life Insurance Company Limited	8%	10%
	100%	100%
(h) Maturity profile of defined benefit obligation:		
Within 1 year	294.19	289.27
1-2 year	37.64	29.47
2-5 years	156.66	128.68
Over 5 years	451.25	424.10
(i) Principal actuarial assumptions:		
Discount rate	6.10%	6.30%
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.

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

(j) Sensitivity analysis	Change in Assumption	Impact on defined benefit obligation (2020-21)	Impact on defined benefit obligation (2019-20)
Discount rate	Increase by 1%	Decrease by Rs.43.61 Lakhs	Decrease by Rs.34.35 Lakhs
	Decrease by 1%	Increase by Rs.50.54 Lakhs	Increase by Rs.39.91 Lakhs
Salary growth rate	Increase by 1%	Increase by Rs.48.20 Lakhs	Increase by Rs.38.14 Lakhs
	Decrease by 1%	Decrease by Rs.42.58 Lakhs	Decrease by Rs.33.59 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.96 Lakhs** (previous year - Rs.92 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 2021 is **6 years** (31 March 2020 – 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.15.49 Lakhs** (previous year- Rs.14.77 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.178.92 Lakhs** (previous year- Rs.196.07 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.

The total closing provision towards this obligation was **Rs. 428.67 Lakhs** and **Rs. 364.17 Lakhs** as at 31 March 2021 and 31 March 2020 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

	31 March 2021	31 March 2020
Leave provision not expected to be settled within the next 12 months (Refer Note 15)	354.93	288.09

(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 increase 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) 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	
	As at 31 March		As at 31 March	
	2021 #	2020 #	2021 *	2020
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	
Number of SAR outstanding at the beginning of the year	-	200000	100000	100000
Add : Granted during the year	-	-	-	-
Less : Forfeited / lapsed / cancelled during the year (# and *)	-	200000	100000	-
Less : Exercised during the year	-	-	-	-
Number of SAR outstanding at the end of the year	-	-	-	100000
Fair value of SAR at the end of the year (Rs.)	-	-	-	66.78
Carrying amount of liability - included in employee benefits payable (Rs. in Lakhs) (Refer Note 17.3)	-	-	-	48.07

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

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	
	2021	2020	2021	2020
Share price at measurement date (Rs. per share)	#	#	*	195.30
Exercise price (Rs. per share)	#	#	*	416.20
Expected time (in years)	#	#	*	5.66
Expected volatility (%)	#	#	*	52.96%
Dividend yield (%)	#	#	*	0.54%
Risk-free interest rate (%)	#	#	*	6.00%

#The Nomination and Remuneration Committee in its meeting held on 17 January 2020 cancelled 2,00,000 Stock Appreciation rights issued to eligible employee on 27 October 2014 already vested under the Saregama Stock Appreciation Rights Scheme 2014 ("SAR 2014").

In accordance with the approval granted by shareholders in the Annual General Meeting held on 19 July 2019 w.r.t. modification of employee share benefit schemes, the Nomination and Remuneration Committee has granted 2,00,000 Options to eligible employee under the Saregama Employee Stock Option Scheme 2013 in lieu of SAR 2014 keeping all other terms and conditions of the replaced awards remain the same as the original award, 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 as per the vesting schedule approved by the Nomination and Remuneration Committee and the exercise period is 10 years from the date of vesting.

*The Nomination and Remuneration Committee in its meeting held on 30 June 2020 cancelled 1,00,000 Stock Appreciation rights issued to eligible employees on 31 July 2018 under the Saregama Stock Appreciation Rights Scheme 2018 ("SAR 2018").

In accordance with the aforesaid shareholders approval w.r.t. modification of employee share benefit schemes, the Nomination and Remuneration Committee has granted 1,00,000 Options to the eligible employees under the Saregama Employee Stock Option Scheme 2013 in lieu of SAR 2018 keeping all other terms and conditions of the replaced awards remain the same as the original award, 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 as per the vesting schedule approved by the Nomination and Remuneration Committee and the exercise period is 10 years from the date of vesting.

(b) 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 as defined in the Scheme.

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.

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 2016-17, 2019-20 and 2020-21 to certain eligible employees and outstanding as on 31 March 2021 at the following exercise price, being prevailing market price as on date of grant to respective employee :

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

Name of eligible employees	As at 31 March 2021		As at 31 March 2020	
	No. of options/shares	Exercise price per share (Rs.)	No. of options/shares	Exercise price per share (Rs.)
Mr. Vikram Mehra, Managing Director **	90,000	416.20	2,00,000	170.65
Mr. Kumar Ajit, Vice President - Sales and marketing@	2,000	243.70	4,000	243.70
Ms. Rashna Pochkhanwala, Vice President - Music Licencing **	10,000	416.20	-	-

@ 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.

** 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.

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		Rashna Pochkhanwala	Kumar Ajit
	17-Jan-20	30-Jun-20	30-Jun-20	09-Sep-16
Grant date	17-Jan-20	30-Jun-20	30-Jun-20	09-Sep-16
Fair value at grant date (Rs.)	304.40	244.26	244.26	141.90
Share price at grant date (Rs.)	435.00	426.80	426.80	243.70
Exercise price (Rs.)	170.65	416.20	416.20	243.70
Expected volatility	48.50%	55.80%	55.80%	55.96%
Expected Life (expected weighted average life)	3.9 Years	6.24	6.24	8 Years
Expected dividend	0.54%	0.58%	0.58%	1.34%
Risk free interest rate (based on Government bonds)	6.40%	5.56%	5.56%	7.00%

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 2021	31 March 2020
Number of Options Outstanding at the beginning of the year	204000	19529
Number of Options granted during the year	100000	200000
Number of Options forfeited/lapsed during the year	-	9
Number of Options vested during the year	202000	2000
Number of Options exercised during the year	202000	15520
Number of Shares arising as a result of exercise of options	2000	15520
Number of Options outstanding at the end of the year	102000	204000
Number of Options exercisable at the end of the year	-	-

The weighted average share price of shares arising upon exercise of Options for the year ended 31 March 2021 based on the closing market price on NSE was Rs.815.35 (31 March 2020 - Rs.476.91).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

(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 2021	Year ended 31 March 2020
Employee stock option scheme	137.71	21.78
Share appreciation rights (SAR)	102.54	(510.05)

During the year ended 31 March 2021 and 31 March 2020, the Company issued ESOP as replacement for outstanding stock appreciation rights awards. The replacement was pursuant to SEBI (Share Based Employee Benefits) Regulations, 2014. The awards were granted after necessary approvals from the Nomination and Remuneration Committee, all other terms and conditions of the replaced awards remain the same as the original award.

The replacement awards was accounted as a modification and the fair value on the date of modification of Rs.150.61 Lakhs (2019-20 - Rs.510.81 Lakhs) recognized as equity with a corresponding adjustment to financial liability. The movement in the fair value of Stock Appreciation Rights till the date of its cancellation has been charged to the statement of profit and loss.

33 Fair value measurements

(i) Financial instruments by category

	Notes	As at 31 March 2021 Carrying Amount / Fair Value	As at 31 March 2020 Carrying Amount / Fair Value
A. Financial assets			
(a) Measured at fair value through OCI			
Investments			
Equity instruments	8.1	9,120.58	6,185.58
Sub total		9,120.58	6,185.58
(b) Measured at fair value through profit and loss			
Investments			
Units of Mutual funds (quoted)	11.1	2,516.38	-
Sub total		2,516.38	-
(c) Measured at amortised cost			
Trade receivables	11.2	8,959.04	11,030.21
Cash and cash equivalents	11.3	629.56	329.70
Other bank balances	11.4	13,383.87	194.61
Loans and deposits	8.2,11.5	1,516.34	570.08
Other financial assets	8.3,11.6	185.87	7.57
Sub total		24,674.68	12,132.17
Total financial assets		36,311.64	18,317.75
B. Financial liabilities			
Measured at amortised cost			
Borrowings	17.1	-	633.22
Lease liabilities	4	110.22	47.03
Trade payables	17.2	5,260.88	5,219.69
Other financial liabilities	17.3	6,300.19	2,210.19
Total financial liabilities		11,671.29	8,110.13

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

33 Fair value measurements**(ii) Fair value hierarchy**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are 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.

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 counterparty 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 2021 and 31 March 2020.

	Fair Value Hierarchy Level	As at 31 March 2021	As at 31 March 2020
Financial assets			
Measured at fair value through OCI			
Investments			
Equity instruments (quoted)	1	8,934.35	6,007.04
Equity instruments (un-quoted)	3	186.23	178.54
		9,120.58	6,185.58
Measured at fair value through profit and loss			
Investments			
Units of Mutual funds (quoted)	1	2,516.38	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

33 Fair value measurements

(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 2021	31 March 2020
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.96.62 Lakhs.	Increase in earning growth rate by 1% and lower discount rate by 1% would increase fair value by Rs.46.17 Lakhs.
			Decrease in earning growth rate by 1% and higher discount rate by 1% would decrease fair value by Rs. 69.83 Lakhs.	Decrease in earning growth rate by 1% and higher discount rate by 1% would decrease fair value by Rs. 40.60 Lakhs.

Level 3 fair values - Movement in the values of unquoted 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 2019	139.53
Gain / (loss) included on OCI	
- Net change in fair value (unrealised)	39.01
Balance at 31 March 2020	178.54
Balance at 1 April 2020	178.54
Gain / (loss) included on OCI	
- Net change in fair value (unrealised)	7.69
Balance at 31 March 2021	186.23

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

34 Financial risk management

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. 8,959.04 Lakhs as on 31 March 2021 (31 March 2020 - Rs.11,030.21 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 2021	As at 31 March 2020
Opening balance	1,055.26	944.05
Add: Provision made during the year (net)	-	111.21
Less: Utilisation for impairment/de-recognition/reversal of provision	(46.39)	-
Closing balance	1,008.87	1,055.26

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 2021 and 31 March 2020 is the carrying amounts as disclosed in Note 8.1, 8.2, 8.3, 11.1, 11.3, 11.4, 11.5 and 11.6.

(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 2021	As at 31 March 2020
(i) Borrowings including interest obligation (Refer Note 17.1)	-	633.22
(ii) Trade payables (Refer Note 17.2)	5,260.88	5,219.69
(iii) Lease liabilities (Refer Note 4)	127.08	48.91
(iv) Other financial liabilities (Refer note 17.3)	6,300.19	2,210.19
	11,688.15	8,112.01

The Company does not have derivative financial liabilities as at the end of above mentioned reporting periods.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

34 Financial risk management

(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 2021		As at 31 March 2020	
	Financial Assets	Financial Liabilities	Financial Assets	Financial Liabilities
USD	644.54	-	757.95	6.60
GBP	473.38	-	756.78	-
Others	47.81	-	119.38	-
Total	1,165.73	-	1,634.11	6.60

Net Exposure to Foreign Currency Risk (Assets - Liabilities)

	As at 31 March 2021	As at 31 March 2020
USD	644.54	751.35
GBP	473.38	756.78
Others	47.81	119.38
Total	1,165.73	1,627.51

(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 2021	Year ended 31 March 2020
USD sensitivity		
INR/USD -Increase by 10%	64.45	75.14
INR/USD -Decrease by 10%	(64.45)	(75.14)
GBP sensitivity		
INR/GBP-Increase by 10%	47.34	75.68
INR/GBP-Decrease by 10%	(47.34)	(75.68)
Other currencies sensitivity		
INR/Others-Increase by 10%	4.78	11.94
INR/Others-Decrease by 10%	(4.78)	(11.94)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

(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 2021		31 March 2020	
	Floating Rate	Fixed Rate	Floating Rate	Fixed Rate
Financial assets	-	10,079.58	-	281.48
Financial liabilities	-	-	633.22	-
	-	10,079.58	633.22	281.48

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.Nil (31 March 2020 - Rs.3.17 Lakhs) in interest expense on financial liabilities with floating interest rate and corresponding impact on profit before tax for the year ended 31 March 2021.

The Company invests its surplus funds in fixed deposits and debt mutual funds. 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 2021 is Rs.9,120.58 Lakhs (31 March 2020 - Rs.6,185.58 Lakhs). Accordingly, fair value fluctuations arising from market volatility is recognised in Other Comprehensive Income.

The Company also invests in mutual fund schemes of leading fund houses. Such investments are susceptible to market price risk that arise mainly from changes in interest rate which may impact the return and value of such investments. However, given the relatively short tenure of underlying portfolio of the mutual fund schemes in which the Company has invested, such price risk is not significant.

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

The following table summarises the capital of the Company:

	As at 31 March 2021	As at 31 March 2020
Total borrowings (Refer Note 17.1)	-	633.22
Less: Cash and cash equivalents (Refer Note 11.3)	(629.56)	(329.70)
Net Debt	(629.56)	303.52
Equity (Refer Note 14.1 and 14.2)	50,954.15	41,378.51
Net Debt to Equity Ratio	(0.01)	0.01

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 2021 and 31 March 2020.

(b) Dividend on equity shares

	Year ended 31 March 2021	Year ended 31 March 2020
<u>Dividend declared and paid during the year</u>		
Final dividend for the year ended 31 March 2020 of Rs.1.50 (31 March 2019 - Rs.3.00) per fully paid share	261.39	522.60
Dividend distribution tax on above	-	107.42
Interim dividend for the year ended 31 March 2021 of Rs.20 (31 March 2020 - Rs.Nil) per fully paid share	3,485.60	-
	3,746.99	630.02
<u>Proposed dividend not recognised at the end of the reporting period</u>		
Since year end the directors have recommended the payment of a final dividend of Rs.Nil per fully paid share (31 March 2020 - Rs.1.50). 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
	-	261.39

36 Related party disclosures

Where control exists

a) Parent entity

Name	Type	Place of incorporation	Ownership interest	
			As at 31 March 2021	As at 31 March 2020
Composure Services Private Limited (CSPL)	Holding Company	India	59.05%	59.06%

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

b) Subsidiaries

The Company has following subsidiaries and step down subsidiary companies:-

Name	Type	Place of incorporation	As at 31 March 2021	As at 31 March 2020
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) (Refer Note 41)

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
Mrs.Preeti Goenka	Non-Executive Director
Mrs.Avarna Jain	Non-Executive Director
Mr.Umang Kanoria	Non-Executive Independent Director
Mr.Santanu Bhattacharya	Non-Executive Independent Director
Mr.Arindam Sarkar	Non-Executive Independent Director
Mr.Noshir Naval Framjee	Non-Executive Independent Director
Mrs.Kusum Dadoo	Non-Executive Independent Director appointed w.e.f. 05 June 2020 and resigned w.e.f. 04 February 2021
Mrs.Suhana Murshed	Non-Executive Independent Director appointed w.e.f 23 March 2021
Mr.Vineet Garg	Chief Financial Officer
Mrs.Kamana Goenka	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 2021 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

e) Other Related Parties with whom the Company had transactions

Name	Relationship
RPSG Resources Private Limited (formerly known as Accurate Commodeal Private Limited)	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 2021	Year ended 31 March 2020
A	Holding company- (CSPL)		
	Dividend paid	154.37	308.75
B	Subsidiary company		
	SL		
	Licence fees - income	621.73	817.95
	Reimbursement of expense paid/payable	31.56	-
	Provision for doubtful debts written back	(22.17)	(65.60)
	OMNPL		
	Interest income	-	105.55
	Loans given	-	211.00
	Provision recognised against loan given and interest receivable	-	306.00
	Purchase of services	1,103.89	1,011.02
	Consultancy charges	96.00	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	14.87	1.05
	Reimbursement of expenses	105.32	66.29
	Loans given	261.17	19.56
	Loans refunded	100.00	19.18
	Saregama Inc		
	Licence fees-income	218.83	166.62
	Reimbursement of expense paid/payable	330.69	-
	Reimbursement of expense received/receivable	14.97	-
	Provision for doubtful debts (written back)/created	(106.59)	106.59

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

Sl. No.	Particulars	Year ended 31 March 2021	Year ended 31 March 2020
	SFZE		
	Investment in equity shares	-	290.43
	Sale of goods	50.79	-
	Licence fees - income	8.02	21.49
	Interest income	9.44	11.59
	Loans refunded	63.02	21.14
	Reimbursement of expense paid/payable	60.30	-
C	Entity jointly controlled by KMP of the Company		
	RPSG Resources Private Limited		
	Royalty expense for brand usage	425.00	118.75
	Reimbursement of expenses received	200.00	68.75
D	Remuneration to Key management personnel		
	Mr.Vikram Mehra *	642.29	593.14
	Mr.Vineet Garg	182.88	163.95
	Mrs.Kamana Goenka	15.06	14.42
E	Loan given to Mr. Vikram Mehra	895.00	-
F	Sitting fees		
	Mr.Sanjiv Goenka	1.25	1.20
	Mrs.Preeti Goenka	1.00	0.80
	Mrs.Avarna Jain	1.00	0.80
	Mr.Umang Kanoria	1.40	0.50
	Mr.Santanu Bhattacharya	1.95	1.75
	Mr.Arindam Sarkar	1.00	0.80
	Mr.Noshir Naval Framjee	1.70	1.75
	Mrs.Kusum Dadoo	0.60	-
G	Post employment benefit plan of the Company		
	Contribution towards Saregama India Limited Employees Group Gratuity Fund	140.00	30.00
	Contribution towards Saregama India Limited Superannuation Fund	15.49	14.77
H	Other Related Party		
	Loans given to Saregama Welfare Trust for purchase of treasury shares	210.00	767.95

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

Key management personnel compensation *

	Year ended 31 March 2021	Year ended 31 March 2020
Short-term employee benefits	786.60	731.96
Post employment benefits	37.49	29.61
Other long-term benefits	16.14	9.94

* The above compensation does not include perquisite value of interest free loan and perquisite value of shares options exercised during the year aggregating to Rs. 1,341.75 Lakhs for the year ended 31 March 2021, as defined under the Income-tax Act, 1961.

The total managerial remuneration paid/payable to Managing Director of the Company including the aforesaid perquisite value of interest free loan and perquisite value of shares options exercised during the year, as defined under the Income-tax Act, 1961, has exceeded the prescribed limits under Section 197 read with Schedule V to the Companies Act, 2013. The Company has obtained necessary approvals as required under the relevant provisions of the Companies Act, 2013.

Balances outstanding at the year end

	As at 31 March 2021	As at 31 March 2020
A Subsidiary company		
1) Non-current investments @		
SL	8.82	8.82
RPGG	-	-
KMNL	1,554.10	1,554.10
OMNPL	6,975.14	6,975.14
SFZE	310.62	310.62
2) Loans @		
KMNL	161.55	0.38
SFZE	39.78	102.80
3) Interest accrued and due		
KMNL	0.00	0.00
SFZE	0.02	0.08
4) Trade receivables @		
SL	473.40	756.78
Saregama Inc	37.28	335.19
SFZE	24.69	6.22
6) Provision for diminution in the value of investments		
SL	8.82	8.82
OMNPL	6,975.14	6,975.14
7) Provision for doubtful debts		
SL	-	22.17
OMNPL	-	-
SINC	-	106.59

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

	As at 31 March 2021	As at 31 March 2020
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		
RPSG Resources Private Limited		
Reimbursement of expenses receivable	177.00	56.12
D Key management personnel		
Remuneration payable		
- Mr.Vikram Mehra	125.00	103.85
- Mr.Vineet Garg	26.79	23.76
- Mrs.Kamana Goenka	1.73	1.53
Loan given to Mr. Vikram Mehra	895.00	-
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. 1,058.38 Lakhs (31 March 2020 - Rs.153.87 Lakhs)] as at 31 March 2021 are estimated at Rs. 1,376.43 Lakhs (31 March 2020- Rs.89.33 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.1,050.74 Lakhs as at 31 March 2021 (31 March 2020 - Rs.2,090.00 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.463.63 Lakhs as at 31 March 2021 (31 March 2020 - Rs.513.09 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 2021 (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.20.25 Lakhs as at 31 March 2021 (31 March 2020 - Rs.39.03 Lakhs) is considered as contingent on account of such claims / law suits.

(iv) Other matters including claims related to property related demands Rs.4,295.04 Lakhs as at 31 March 2021 (31 March 2020 - Rs.3,628.09 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 2021	Year ended 31 March 2020
As Auditors -		
- Audit fees for Standalone Financial Statements	26.75	26.75
- Audit fees for Consolidated Financial Statements	7.25	7.25
- Tax audit	6.50	6.50
- Limited reviews	18.00	18.00
- Others [certificates, etc.]	5.00	6.60
Reimbursement of expenses	3.03	3.73

40 Basic and diluted earnings per share :

	Year ended 31 March 2021	Year ended 31 March 2020
Number of equity shares at the beginning of the year	1,74,26,012	1,74,10,492
Number of equity shares at the end of the year	1,74,28,012	1,74,26,012
Weighted average number of equity shares outstanding during the year (A)	1,74,27,130	1,74,21,054
Weighted average number of equity shares held in controlled trust (B)	2,73,799	50,285
Weighted average number of equity shares for computing basic earnings per share [C= (A-B)]	1,71,53,331	1,73,70,769
Weighted average number of potential equity shares on account of employee stock options (D)	1,69,071	26,385
Weighted average number of equity shares for computing diluted earnings per share [E= (C+D)]	1,73,22,402	1,73,97,154
Nominal value of each equity share (Rs.)	10	10
Profit after tax available for equity shareholders (Rs.in Lakhs) [F]	10,701.79	4,899.27
Basic earnings per share (Rs.) [F/C]	62.39	28.20
Diluted earnings per share (Rs.) [F/E]	61.78	28.16

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 2021 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

42 The Company has following un-hedged exposures in foreign currencies

	As at 31 March 2021		As at 31 March 2020	
	Foreign currency in Lakhs	Amount in Rs. Lakhs	Foreign currency in Lakhs	Amount in Rs. Lakhs
Trade Receivables	GBP 4.64	473.38	GBP 8.13	756.78
Trade Receivables	USD 8.83	644.54	USD 10.05	757.95
Trade Receivables	-	-	MYR 0.03	0.53
Trade Receivables	OMR 0.01	0.12	-	-
Trade Receivables	AED 0.10	1.98	AED 0.32	6.60
Trade Receivables	-	-	SGD 0.01	0.45
Trade Receivables	-	-	-	-
Trade Receivables	NPR 9.85	5.94	NPR 14.29	9.00
Trade Payables	-	-	USD 0.14	6.60
Loan & Advances	AED 2.00	39.77	AED 5.00	102.80

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. (2019-20 - 9.35% p.a.)] of Rs.261.17 Lakhs (2019-20 - Rs.19.56 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. (2019-20 - 9.35% p.a.)] of Rs.Nil (2019-20 Rs.211.00 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 was provided fully in the books of account in the previous 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 was fully provided for in the previous year ended 31 March 2020.

44 (c) The Company has further invested in equity of Rs.Nil (2019-20 Rs.290.43 Lakhs) during the year to its subsidiary Saregama FZE for financial assistance and its principal business activities.

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 Number: 055757

Place : Kolkata
Date : 12 May 2021

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

Sanjiv Goenka
Chairman
DIN: 00074796

Vineet Garg
Chief Financial Officer

Place : Kolkata
Date : 12 May 2021

Vikram Mehra
Managing Director
DIN: 03556680

Kamana Goenka
Company Secretary
ACS: 35161

Place : Kolkata
Date : 12 May 2021

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

(Amount in Rupees lakhs, except otherwise stated)

	Year ended 31 March 2021		Year ended 31 March 2020	
A. Cash Flow from Operating Activities				
Profit Before Tax		14,544.50		6,578.96
Adjustments for:				
Depreciation and amortisation expense	540.04		444.86	
Allowance for expected credit loss	1.93		442.48	
Finance costs	345.01		671.27	
Liabilities/Provisions no longer required written back	(538.13)		(318.39)	
Interest income	(1,704.52)		(484.35)	
Share based payment expense	137.71		21.78	
Bad debts/advances written off	22.82		0.88	
Loss on disposal of Property, plant and equipment	-		1.81	
Profit on sale of Property, plant and equipment	(0.17)		-	
Profit on sale of Investment in Mutual Fund	-		(0.12)	
Fair value gain on Mutual fund	(16.51)		-	
Dividend income from equity investments designated at FVOCI	(567.03)		(252.03)	
Net loss / (gain) on unrealised foreign currency transactions	32.15		(86.12)	
		(1,746.70)		442.07
Operating profit before Working Capital Changes		12,797.80		7,021.03
Changes in working capital				
(Increase)/Decrease in Other current assets, Loans and deposits, Other non-current assets	(728.16)		1,918.70	
Increase in Other financial liabilities, Provisions, Other current liabilities	3,252.11		1,003.93	
Increase in Trade payables	430.05		33.76	
(Decrease)/Increase in Employee benefit obligations	(4.56)		82.67	
Decrease in Trade receivables	2,079.04		239.70	
Decrease in Inventories	2,360.57		336.86	
		7,389.05		3,615.62
Cash generated from operations		20,186.85		10,636.65
Income taxes paid (net of refund and interest)		(1,442.06)		(2,180.63)
Net cash generated from Operating Activities (A)		18,744.79		8,456.02
B. Cash Flow from Investing Activities				
Purchase of Property, plant and equipment and intangible assets	(2,195.91)		(823.48)	
Sale of Property, plant and equipment	0.17		-	
Investment in equity shares of other company (quoted)	(75.60)		-	
Interest received	215.30		144.02	
Investment in Equity shares of subsidiary	-		(290.43)	
Loan given to Subsidiary Companies	(94.52)		(300.41)	
Investment in Mutual funds	(2,499.87)		(150.00)	
Proceeds from sale of Investment in Mutual funds	-		150.12	
Fixed deposits placed with banks (with maturity more than 3 months)	(9,703.58)		(12.06)	
Dividend income from equity investments designated at FVOCI	567.03		252.03	
Net cash used in Investing Activities (B)		(13,786.98)		(1,030.21)

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

	Year ended 31 March 2021		Year ended 31 March 2020	
C. Cash Flow from Financing Activities				
Repayment of Short term borrowings	(633.22)		(5,447.76)	
Proceeds form issue of shares	0.20		1.55	
Share premium received on issue of shares	4.67		19.72	
Purchase of Investment by Saregama Welfare Trust (Treasury Shares) (net)	(171.18)		(764.32)	
Dividend paid	(261.39)		(522.60)	
Dividend distribution tax paid	-		(107.42)	
Repayment of principal portion of lease liabilities	(52.72)		(78.91)	
Interest paid on lease liabilities	(3.67)		(9.02)	
Interest paid on others	(55.04)		(332.09)	
Interim dividend	(3,485.60)		-	
Net cash used in Financing Activities (C)		(4,657.95)		(7,240.85)
Net increase in cash and cash equivalents (A+B+C)		299.86		184.96
Cash and Cash Equivalents at the beginning of the year (Refer Note 11.3)		329.70		144.74
Cash and Cash Equivalents at the end of the year (Refer Note 11.3)		629.56		329.70

Notes:

- The above Cash Flow Statement has been prepared under the Indirect Method as set out in Ind AS - 7 "Statement of Cash Flows".
- Reconciliation of liabilities from financing activities

	Balance as at 1 April 2020	Cash flows	Non-cash changes	Balance as at 31 March 2021
Borrowings	633.22	(633.22)	-	-
Lease liabilities	47.03	(56.39)	119.58	110.22
Total liabilities from financing activities	680.25	(689.61)	119.58	110.22

	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
Lease liabilities	-	(87.93)	134.96	47.03
Total liabilities from financing activities	6,080.98	(5,535.69)	134.96	680.25

The accompanying notes 1 to 44 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 Number: 055757

Place : Kolkata
Date : 12 May 2021

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

Sanjiv Goenka
Chairman
DIN: 00074796

Vineet Garg
Chief Financial Officer

Place : Kolkata
Date : 12 May 2021

Vikram Mehra
Managing Director
DIN: 03556680

Kamana Goenka
Company Secretary
ACS: 35161

Place : Kolkata
Date : 12 May 2021

INDEPENDENT AUDITORS' 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 2021, 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 2021, 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
<p>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.</p> <p>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.</p> <p>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.</p>	<p>Our audit procedures include the following:</p> <ul style="list-style-type: none"> 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 assessed 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. <p>We tested the transactions closer to the year end to check the recognition of revenue in the correct period.</p>

INDEPENDENT AUDITORS' 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 consolidated 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/ loss 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 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 AUDITORS' 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 six subsidiaries (including one step-down subsidiary) whose financial statements reflect total assets of Rs.3,935.61 Lakhs as at 31 March 2021, total revenues of Rs. 2,975.46 Lakhs and net cash inflows amounting to Rs.108.94 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 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 AUDITORS' 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 2021 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 2021 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 consolidated financial statements of the Holding Company, 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 2021 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 2021.
 - iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2021.
 - 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 consolidated financial statements since they do not pertain to the financial year ended 31 March 2021.
- 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 read with Schedule V of the Act. The remuneration paid to one director is in excess of the limit laid down under Section 197 read with Schedule V of the Act, however, necessary approval with respect to the same has been obtained by the Company (refer note 35 to the consolidated financial statements). 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: 21055757AAAAABN6544

Place: Kolkata
Date: 12 May 2021

ANNEXURE A TO INDEPENDENT AUDITORS' 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 2021

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 2021, 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 2021, 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 consolidated 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.

Place: Kolkata
Date: 12 May 2021

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

Jayanta Mukhopadhyay
Partner
Membership No.: 055757
UDIN: 21055757AAAABN6544

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2021

(Amount in Rupees lakhs, except otherwise stated)

Particulars	Notes	As at	
		31 March 2021	31 March 2020
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	3	20,457.87	20,529.30
(b) Right-of-use assets	4	109.46	44.32
(c) Investment properties	5	225.03	230.56
(d) Intangible assets	6	1,794.01	1,116.36
(e) Intangible assets under development		195.02	-
(f) Investment accounted for using equity method	36(b)	-	-
(g) Financial assets			
(i) Investments	7.1	11,141.20	7,544.15
(ii) Loans and deposits	7.2	193.64	472.47
(iii) Other financial assets	7.3	0.25	0.25
(h) Other non-current assets	8	1,116.92	235.70
Total non-current assets		35,233.40	30,173.11
(2) Current assets			
(a) Inventories	9	6,919.31	9,363.57
(b) Financial assets			
(i) Investments	10.1	2,516.38	-
(ii) Trade receivables	10.2	8,735.30	10,845.84
(iii) Cash and cash equivalents	10.3	1,113.49	704.70
(iv) Bank balances other than (iii) above	10.4	13,383.87	194.61
(v) Loans and deposits	10.5	1,158.15	31.11
(vi) Other financial assets	10.6	185.60	7.24
(c) Current tax assets (net)	11	1,966.07	3,689.46
(d) Other current assets	12	7,188.63	6,965.54
Total current assets		43,166.80	31,802.07
TOTAL ASSETS		78,400.20	61,975.18
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	13.1	1,742.80	1,742.60
(b) Other equity	13.2	48,835.89	38,136.47
Equity Attributable to Owners of the Company		50,578.69	39,879.07
Non-controlling interest		313.07	224.86
Total equity		50,891.76	40,103.93
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	4	74.64	-
(b) Employee benefit obligations	14	419.45	349.57
(c) Deferred tax liabilities (net)	15	5,052.33	4,578.49
Total non-current liabilities		5,546.42	4,928.06
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	16.1	-	923.22
(ii) Lease liabilities	4	35.58	47.03
(iii) Trade payables			
a) Total outstanding dues of micro enterprises and small enterprises	16.2	1.37	3.46
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	16.2	5,629.03	5,796.93
(iv) Other financial liabilities	16.3	6,477.22	2,346.40
(b) Other current liabilities	17	2,549.91	2,438.83
(c) Provisions	18	7,094.07	5,158.92
(d) Employee benefit obligations	19	174.84	228.40
Total current liabilities		21,962.02	16,943.19
TOTAL LIABILITIES		27,508.44	21,871.25
TOTAL EQUITY AND LIABILITIES		78,400.20	61,975.18

The accompanying notes 1 to 42 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 Number: 055757

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

Sanjiv Goenka
Chairman
DIN: 00074796

Vineet Garg
Chief Financial Officer

Vikram Mehra
Managing Director
DIN: 03556680

Kamana Goenka
Company Secretary
ACS: 35161

Place: Kolkata
Date: 12 May 2021

Place: Kolkata
Date: 12 May 2021

Place: Kolkata
Date: 12 May 2021

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2021

Particulars	Notes	(Amount in Rupees lakhs, except otherwise stated)	
		Year ended 31 March 2021	Year ended 31 March 2020
I Revenue from operations	20	44,196.26	52,147.49
II Other income	21	3,085.37	1,122.90
III Total income (I+II)		47,281.63	53,270.39
IV Expenses			
Cost of material consumed/ Contract manufacturing charges	22	2,105.81	10,702.76
Cost of production of films and television serials	23	4,649.68	5,408.43
Changes in inventories of finished goods and work-in-progress [(increase)/decrease]	24	2,451.49	255.96
Employee benefits expense	25	6,953.36	6,661.54
Finance costs	26	345.06	671.47
Depreciation and amortisation expense	27	561.00	463.76
Other expenses	28	15,024.59	23,071.70
Total expenses (IV)		32,090.99	47,235.62
V Profit before tax (III-IV)		15,190.64	6,034.77
VI Tax expense			
- Current tax	29	3,773.08	1,968.01
- Tax related to previous periods	29	-	45.95
- Deferred tax [charge/(credit)]	15	71.10	(328.64)
Total tax expense (VI)		3,844.18	1,685.32
VII Profit for the year (V-VI)		11,346.46	4,349.45
VIII Other comprehensive income			
Items that will be reclassified to profit or loss:			
(a) Exchange differences on translation of foreign operations		(5.09)	17.84
Items that will not be reclassified subsequently to profit or loss:			
(a) Remeasurements of post-employment benefit obligations		(18.82)	(100.79)
(b) Changes in fair value of equity instruments designated at FVOCI		3,504.36	(7,289.90)
(c) Income tax relating to items that will not be reclassified subsequently to profit or loss	15	(404.38)	870.65
Other comprehensive income for the year, net of tax (VIII)		3,076.07	(6,502.20)
IX Total comprehensive income for the year (VII+VIII)		14,422.53	(2,152.75)
Profit for the year attributable to :-			
(a) Owners of the Company		11,255.41	4,393.84
(b) Non-Controlling Interest		91.05	(44.39)
Other comprehensive income for the year attributable to :-			
(a) Owners of the Company		3,078.91	(6,509.62)
(b) Non-Controlling Interest		(2.84)	7.42
Total comprehensive income for the year attributable to :-			
(a) Owners of the Company		14,334.32	(2,115.78)
(b) Non-Controlling Interest		88.21	(36.97)
X Earnings per equity share:[Nominal value per share Rs.10 (previous year- Rs. 10)]			
Basic (Rs.)	40	65.61	25.29
Diluted (Rs.)	40	64.97	25.26

The accompanying notes 1 to 42 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 Number: 055757

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

Sanjiv Goenka
Chairman
DIN: 00074796

Vineet Garg
Chief Financial Officer

Vikram Mehra
Managing Director
DIN: 03556680

Kamana Goenka
Company Secretary
ACS: 35161

Place: Kolkata
Date: 12 May 2021

Place: Kolkata
Date: 12 May 2021

Place: Kolkata
Date: 12 May 2021

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

(Amount in Rupees lakhs, except otherwise stated)

A. EQUITY SHARE CAPITAL

Description

As at 1 April 2019
Changes in equity share capital
As at 31 March 2020
Changes in equity share capital
As at 31 March 2021

Number of shares	Amount
17,410,492	1,741.05
15,520	1.55
17,426,012	1,742.60
2,000	0.20
17,428,012	1,742.80

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	Saregama Welfare Trust Reserve	Retained earnings	Revaluation surplus	Equity instruments through OCI	Other items of other comprehensive income (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)
Employee stock option expense (Refer Note 25)	-	-	-	21.78	-	-	-	-	-	-	-	21.78
Effect of modification of share based payment awards {Refer Note 31(c)}	-	-	-	510.81	-	-	-	-	-	-	-	510.81
Purchase of treasury shares by the trust during the year (net) (Refer Note 13.2)	-	-	-	-	(764.32)	-	-	-	-	-	-	(764.32)
Transfer on account of exercise/lapse of options	-	-	-	(11.48)	-	-	11.48	-	-	-	-	-
Deferred Tax on revaluation of property, plant and equipment	-	-	-	-	-	-	-	27.03	-	-	-	27.03
Balance 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

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	Saregama Welfare Trust Reserve	Retained earnings	Revaluation surplus	Equity instruments through OCI	Other items of OCI (FCTR)		
Balance at 1 April 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
Profit for the year	-	-	-	-	-	-	11,255.41	-	-	-	91.05	11,346.46
Other comprehensive income for the year (net of tax)	-	-	-	-	-	-	(14.12)	-	3,095.28	(2.25)	(2.84)	3,076.07
Total comprehensive income for the year	-	-	-	-	-	-	11,241.29	-	3,095.28	(2.25)	88.21	14,422.53
Issue of equity shares under Saregama Employee Stock Option Scheme 2013	-	-	4.67	-	-	-	-	-	-	-	-	4.67
Final dividend on equity shares for the financial year 2019-20	-	-	-	-	-	-	(261.39)	-	-	-	-	(261.39)
Interim dividend on equity shares for the financial year 2020-21	-	-	-	-	-	-	(3,485.60)	-	-	-	-	(3,485.60)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021 (contd.)

Employee stock option expense (Refer Note 25)	-	-	-	137.71	-	-	-	-	-	-	-	137.71
Effect of modification of share based payment awards {Refer Note 31(c)}	-	-	-	150.61	-	-	-	-	-	-	-	150.61
Purchase of treasury shares by the trust during the year (net) (Refer Note 13.2)	-	-	-	(171.18)	-	-	-	-	-	-	-	(171.18)
Adjustment on account of exercise of options	-	-	-	(509.90)	509.90	-	-	-	-	-	-	-
Transfer on account of exercise/lapse of options	-	-	-	(101.74)	-	-	101.74	-	-	-	-	-
Deferred Tax on revaluation of property, plant and equipment	-	-	-	-	-	-	-	1.64	-	-	-	1.64
Expense of Trust for the year	-	-	-	-	-	(11.36)	-	-	-	-	-	(11.36)
Balance as at 31 March 2021	55.19	693.95	10,277.11	212.11	(425.60)	(11.36)	21,361.50	10,349.54	6,230.50	92.95	313.07	49,148.96

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 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.
- (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 share 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) **Saregama Welfare Trust Reserve** : 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 share based benefits to the employees. SWT purchases shares of the Parent Company out of funds provided by the Parent Company. The Parent Company treats SWT as its extension and shares held by SWT are treated as Treasury Shares. Profit/(loss) on sale/transfer of treasury shares (net of tax) and dividend earned on the same by the SWT is recognized in SWT Reserve.
- (vii) **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.
- (viii) **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.
- (ix) **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.
- (x) **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)(vii)] 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 42 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 Number: 055757

For and on behalf of the Board of Directors of
Saregama India Limited
CIN : L22213WB1946PLCO14346

Sanjiv Goenka
Chairman
DIN: 00074796

Vineet Garg
Chief Financial Officer

Vikram Mehra
Managing Director
DIN: 03556680

Kamana Goenka
Company Secretary
ACS: 35161

Place: Kolkata
Date: 12 May 2021

Place: Kolkata
Date: 12 May 2021

Place: Kolkata
Date: 12 May 2021

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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) and the National Stock Exchange (NSE). The registered office of the Parent Company is located in Kolkata, West Bengal, India.

The consolidated financial statements were approved and authorised for issue with the resolution of the Board of Directors on 12 May 2021.

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.

(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 2021 (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 entity has not been consolidated by the Group [Refer note 36(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 41 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

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.
- 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (contd.)

- 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.

Government Grant

The Group may receive government grants that require compliance with certain conditions related to the Group's operating activities or are provided to the Group by way of financial assistance on the basis of certain qualifying criteria.

Accordingly, government grants by way of financial assistance on the basis of certain qualifying criteria are recognised as they become receivable.

(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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (contd.)

(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.

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 acquired through outright purchase are amortised over a period of one to ten years from the date of release of Music. 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) LeasesThe 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (contd.)

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.

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.

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.

(h) Inventories

Physical inventory (caravan, music card and others): 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.

Media Content is expensed/amortised as under:

- a. Television serials: Cost of a television serial is fully expensed on telecast/broadcasting.
- b. Digital films: 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 off on licencing of digital rights.

Media cost includes cost of acquisition / direct production cost / royalty. Television serials/Digital films under production are included under 'Work-in-Progress'. Media Content are stated at lower of cost, realisable value or revenue potential.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (contd.)

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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (contd.)
(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 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:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (contd.)

- 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
- 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 appreciation 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 substantively 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) Dividend Distribution

Dividends paid are recognised in the period in which the interim dividends are approved by the Board of Directors, or in respect of the final dividend when approved by shareholders.

(v) 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (contd.)

(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 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.

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

Ministry 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 2021.

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 up to the date of approval of these consolidated financial statements and has performed analysis in assessing the recoverability of its assets including trade receivables, inventories, investments, other financial and non-financial assets, for possible impact on these consolidated 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 does not anticipate any material impact on these consolidated financial statements. However, the actual impact of COVID – 19 on the Group's financial statements may differ from that estimated 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 2021 (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 2020	Additions/ adjustments	Deductions/ adjustments	Cost as at 31 March 2021	As at 1 April 2020	Depreciation for the year	Deductions/ adjustments	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020
Land - Freehold	20,007.76	-	-	20,007.76	-	-	-	-	20,007.76	20,007.76
Buildings - Freehold	70.59	-	-	70.59	27.66	4.06	-	31.72	38.87	42.93
Buildings	37.71	-	-	37.71	3.20	0.80	-	4.00	33.71	34.51
Plant and equipment	3.14	-	-	3.14	3.14	-	-	3.14	-	-
Furniture and fixtures	470.67	4.99	-	475.66	254.05	50.60	-	304.65	171.01	216.62
Office equipment	766.28	109.17	1.20	874.25	538.80	130.13	1.20	667.73	206.52	227.48
Vehicles	9.56	-	4.38	5.18	9.56	-	4.38	5.18	-	-
Total	21,365.71	114.16	5.58	21,474.29	836.41	185.59	5.58	1,016.42	20,457.87	20,529.30

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	
Land - Freehold	20,007.76	-	-	20,007.76	-	-	-	-	20,007.76	
Buildings - Freehold	70.59	-	-	70.59	23.69	3.97	-	27.66	42.93	
Buildings	37.71	-	-	37.71	2.40	0.80	-	3.20	34.51	
Plant and equipment	3.14	-	-	3.14	2.42	0.72	-	3.14	-	
Furniture and fixtures	445.41	25.26	-	470.67	203.90	50.15	-	254.05	216.62	
Office equipment	656.99	114.39	5.10	766.28	418.67	123.42	3.29	538.80	227.48	
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	

- 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 2021:

Particulars

Balance as of 1 April 2020
 Additions
 Deletion
 Depreciation
 Balance as of 31 March 2021

Leasehold premises and vehicles
44.32
115.91
-
50.77
109.46

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

(Amount in Rupees lakhs, except otherwise stated)

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).

The following is the break-up of current and non-current lease liabilities:

Particulars	As at 31 March 2021	As at 31 March 2020
Current lease liabilities	35.58	47.03
Non-current lease liabilities	74.64	-
Total	110.22	47.03

The following is the movement in lease liabilities during the year ended 31 March 2021:

Particulars	Leasehold premises and vehicles
Balance as of 1 April 2020	47.03
Additions	115.91
Finance cost accrued during the year	3.67
Deletion	-
Payment of lease liabilities	56.39
Balance as of 31 March 2021	110.22

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 on an undiscounted basis:

Particulars	As at 31 March 2021	As at 31 March 2020
Less than one year	44.85	48.91
One to five years	82.23	-
More than five years	-	-
Total	127.08	48.91

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

The Group 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.409.41 Lakhs (2019-20 - Rs.425.59 Lakhs).

The total cash outflow for leases is Rs. 465.80 Lakhs for the year ended 31 March 2021 (2019-20 - Rs.513.52 Lakhs) , including cash outflow for short term leases and leases of low value assets.

The Group as a Lessor

Rent income includes payments of Rs.18.96 Lakhs (2019-20 Rs.23.58 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 2021	As at 31 March 2020
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	22.15	16.59
Depreciation charge during the year	5.53	5.56
At the end of the year	27.68	22.15
Carrying amount (net)	225.03	230.56

(i) Amounts recognised in statement of profit or loss for investment properties

	Year ended 31 March 2021	Year ended 31 March 2020
Rental income (Refer Note 21)	18.96	23.58
Profit from investment properties before depreciation	18.96	23.58
Depreciation (Refer Note 27)	5.53	5.56
Profit from investment properties	13.43	18.02

(ii) Fair value

	As at 31 March 2021	As at 31 March 2020
Investment properties	2,049.28	1,874.01

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (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 2020	Additions/ adjustments	Deductions/ adjustments	Cost as at 31 March 2021	Amortisation as at 1 April 2020	Impairment as at 1 April 2020	Amortisation for the year	Impairment/ (Reversal) for the year	Deductions/ adjustments	Amortisation as at 31 March 2021	Impairment as at 31 March 2021	As at 31 March 2021	As at 31 March 2020
Copyrights-Music	1,723.87	978.73	-	2,702.60	627.99	-	297.70	-	-	925.69	-	1,776.91	1,095.88
Computer Software	141.26	18.03	66.97	92.32	120.78	-	21.41	-	66.97	75.22	-	17.10	20.48
Total	1,865.13	996.76	66.97	2,794.92	748.77	-	319.11	-	66.97	1,000.91	-	1,794.01	1,116.36

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
Copyrights-Music	1,128.88	594.99	-	1,723.87	447.99	-	180.00	-	-	627.99	-	1,095.88
Computer Software	135.22	6.04	-	141.26	103.26	-	17.52	-	-	120.78	-	20.48
Total	1,264.10	601.03	-	1,865.13	551.25	-	197.52	-	-	748.77	-	1,116.36

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).

7 Financial assets (non-current)

7.1 Investments

	Face value of each unit as at 31 March 2021	Face value of each unit as at 31 March 2020	Number of shares as at 31 March 2021	Number of shares as at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Investments carried at fair value through other comprehensive income						
Quoted - fully paid equity shares in other companies						
CESC Limited	Rs.10	Rs.10	1,544,988	1,544,988	9,170.28	6,315.20
Phillips Carbon Black Limited	Rs.2	Rs.2	500	500	0.95	0.31
Harrisons Malayalam Limited	Rs.10	Rs.10	100	100	0.14	0.05
CFL Capital Financial Services Limited	Rs.10	Rs.10	100	100	0.02	0.02
STEL Holdings Limited	Rs.10	Rs.10	100	100	0.08	0.04
RPSG Ventures Limited (formerly CESC Ventures Limited)	Rs.10	Rs.10	308,997	308,997	1,041.79	362.07
Spencers Retail Limited (formerly RP-SG Retail Limited)	Rs.5	Rs.5	1,050,590	926,992	741.71	687.92
Unquoted - fully paid equity shares in other companies						
Spencer and Company Limited	Rs.9	Rs.9	200	200	1.04	0.58
Woodlands Multispeciality Hospital Limited	Rs.10	Rs.10	2,250	2,250	5.60	5.60
Timbre Media Private Limited	Rs.10	Rs.10	230,000	230,000	179.59	172.36
Total investments					11,141.20	7,544.15
Aggregate carrying value of quoted investments and market value thereof					10,954.97	7,365.61
Aggregate carrying value of unquoted investments					186.23	178.54
Aggregate provision for impairment in the value of investments					-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

Equity shares designated at fair value through other comprehensive income (FVOCI)

	Fair value as at 31 March 2021	Dividend income recognised during 2020-21	Fair value as at 31 March 2020	Dividend income recognised during 2019-20
Investment in CESC Limited	9,170.28	695.25	6,315.20	309.00
Investment in Phillips Carbon Black Limited	0.95	0.03	0.31	0.03
Investment in Harrisons Malayalam Limited	0.14	-	0.05	-
Investment in CFL Capital Financial Services Limited	0.02	-	0.02	-
Investment in RPSG Ventures Limited (formerly CESC Ventures Limited)	1,041.79	-	362.07	-
Investment in Spencers Retail Limited (formerly RP-SG Retail Limited)	741.71	-	687.92	-
Investment in STEL Holdings Limited	0.08	-	0.04	-
Investment in Spencer and Company Limited	1.04	-	0.58	-
Investment in Woodlands Multispeciality Hospital Limited	5.60	-	5.60	-
Investment in Timbre Media Private Limited	179.59	-	172.36	-
Total	11,141.20	695.28	7,544.15	309.03

7.2 Loans and deposits

	As at 31 March 2021	As at 31 March 2020
Security deposits		
Unsecured, considered good	193.64	472.47
Unsecured, considered doubtful	57.56	-
Less: Provision for doubtful deposits	(57.56)	-
Total loans and deposits	193.64	472.47

7.3 Other financial assets

	As at 31 March 2021	As at 31 March 2020
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 2020 - Rs.0.25 Lakhs).

8 Other non-current assets

	As at 31 March 2021	As at 31 March 2020
Capital advances		
Unsecured, considered good	1,058.38	163.62
Unsecured, considered doubtful	36.38	36.38
Less: Provision for doubtful advances	(36.38)	(36.38)
	1,058.38	163.62
Prepaid expenses		
Unsecured, considered good	58.54	72.08
Total other non-current assets	1,116.92	235.70

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

9 Inventories [Refer Note:1(h)]

	As at 31 March 2021	As at 31 March 2020
Raw materials	22.19	14.96
Finished goods		
Untelecasted television serials/digital films	249.71	264.32
Carvaan/music card and others @	4,513.73	7,248.70
Work-in-progress		
Digital films under production	2,133.68	1,835.59
Total inventories	6,919.31	9,363.57

@ Includes good in transit worth Rs.141.07 Lakhs (31 March 2020 - Rs 82.40 Lakhs).

10 Financial assets (current)**10.1 Investments**

	As at 31 March 2021	As at 31 March 2020
Investments carried at fair value through profit and loss		
Units of Mutual funds (quoted)	2,516.38	-
Total investments	2,516.38	-
Aggregate carrying value of quoted investments and market value thereof	2,516.38	-

10.2 Trade receivables

	As at 31 March 2021	As at 31 March 2020
Trade receivables		
Unsecured, considered good	9,563.28	11,636.05
Credit impaired	353.19	353.19
Less: Allowance for expected credit loss	(1,181.17)	(1,143.40)
Total trade receivables	8,735.30	10,845.84

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.

10.3 Cash and cash equivalents

	As at 31 March 2021	As at 31 March 2020
Cash on hand	1.75	3.15
Bank balances:		
- Current accounts	1,111.74	701.55
Total cash and cash equivalents	1,113.49	704.70

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

10.4 Other bank balances

	As at 31 March 2021	As at 31 March 2020
Earmarked balances with bank		
Deposits (with original maturity more than 3 months but remaining maturity period less than 12 months) #	9,878.00	174.42
Unpaid dividend accounts @	20.27	20.19
Interim dividend account *	3,485.60	-
Total other bank balances	13,383.87	194.61

Includes Rs.187.96 Lakhs deposited with Delhi Court (31 March 2020 - Rs.172.42 Lakhs).

@ Earmarked for payment of unclaimed dividend

* Represents amount transferred to dividend escrow account pertaining to interim dividend declared on 23 March 2021.

10.5 Loans and deposits

(Unsecured, considered good unless otherwise stated)

	As at 31 March 2021	As at 31 March 2020
Loans to related parties (Refer Note 35)	-	3.63
Loan to employees **	923.58	27.48
Security deposits	234.57	-
Total loans and deposits	1,158.15	31.11

** includes loan to director (Refer Note 35)

10.6 Other financial assets

	As at 31 March 2021	As at 31 March 2020
Interest accrued on deposits with banks	185.60	7.24
Total other financial assets	185.60	7.24

11 Current tax assets (net)

	As at 31 March 2021	As at 31 March 2020
Advance payment of Income Tax and Tax Deducted at Source [net of Provision for Taxation Rs.12,739.92 Lakhs (31 March 2020 - Rs 8,966.84 Lakhs)]	1,966.07	3,689.46
Total current tax assets (net)	1,966.07	3,689.46

12 Other current assets

(Unsecured, considered good unless otherwise stated)

	As at 31 March 2021	As at 31 March 2020
Minimum guarantee royalty advances	624.83	1,726.16
Royalty advances		
Unsecured, considered good	8.90	54.70
Unsecured, considered doubtful	463.72	472.96
Less: Provision for doubtful advances	(463.72)	(472.96)
	8.90	54.70

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

	As at 31 March 2021	As at 31 March 2020
Advance against supply of goods and services		
Unsecured, considered good	3,514.14	1,465.83
Unsecured, considered doubtful	324.98	324.98
Less: Provision for doubtful advances	(324.98)	(324.98)
	3,514.14	1,465.83
Prepaid expenses		
Unsecured, considered good	404.18	709.78
Unsecured, considered doubtful	44.06	44.06
Less: Provision for doubtful advances	(44.06)	(44.06)
	404.18	709.78
Gratuity (Refer Note 30)	23.31	-
Other receivables	61.70	229.87
Balances with government authorities	2,531.49	2,759.12
Advance payment of fringe benefit tax [net of Provision Rs.147.87 Lakhs (31 March 2020 - Rs.147.87 Lakhs)]	20.08	20.08
Total other current assets	7,188.63	6,965.54

13 Equity share capital and other equity

13.1 Equity share capital

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number of shares	Amount	Number of shares	Amount
Authorised				
Ordinary shares of Rs.10 each	25,000,000	2,500.00	25,000,000	2,500.00
Issued				
Ordinary shares of Rs.10 each	17,428,012	1,742.80	17,426,012	1,742.60
Subscribed and fully paid up				
Ordinary shares of Rs.10 each	17,428,012	1,742.80	17,426,012	1,742.60

Reconciliation of number of ordinary shares outstanding

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number of shares	Amount	Number of shares	Amount
As at the beginning of the year	17,426,012	1,742.60	17,410,492	1,741.05
Add: Issue of shares on exercise of Options	2,000	0.20	15,520	1.55
As at the end of the year	17,428,012	1,742.80	17,426,012	1,742.60

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 2020 - 5,290) equity shares (relating to cases under litigation/ pending clearance from the concerned authorities) are kept in abeyance as on 31 March 2021.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

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 2021		As at 31 March 2020	
	Number of shares held	Amount	Number of shares held	Amount
Composure Services Private Limited	10,291,599	1,029.16	10,291,599	1,029.16

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 2021		As at 31 March 2020	
	Number of shares held	Holding percentage	Number of shares held	Holding percentage
Composure Services Private Limited	10,291,599	59.05%	10,291,599	59.06%

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.

13.2 Other equity

Particulars	As at 31 March 2021	As at 31 March 2020
Capital reserve	55.19	55.19
General reserve	693.95	693.95
Securities premium reserve	10,277.11	10,272.44
Share option outstanding reserve	212.11	535.43
Treasury Shares	(425.60)	(764.32)
SWT Reserve	(11.36)	-
Retained earnings	21,361.50	13,765.46
Revaluation reserve	10,349.54	10,347.90
Equity instrument through OCI	6,230.50	3,135.22
Foreign currency translation reserve	92.95	95.20
Total other equity	48,835.89	38,136.47

- (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 2021	As at 31 March 2020
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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

Particulars	As at 31 March 2021	As at 31 March 2020
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 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 2021	As at 31 March 2020
Balance at the beginning of the year	10,272.44	10,252.72
Add: 2,000 (2019-20 - 15,520) Shares issued on exercise of Options (Refer Note 31)	4.67	19.72
Balance at the end of the year	10,277.11	10,272.44

(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 2021	As at 31 March 2020
Balance at the beginning of the year	535.43	14.32
Employee stock option expense (Refer Note 25)	137.71	21.78
Effect of modification of share based payment awards {Refer Note 31(c)}	150.61	510.81
Transfer on account of exercise/lapse of options	(101.74)	(11.48)
Adjustment on account of exercise of options	(509.90)	-
Balance at the end of the year	212.11	535.43

(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 2021	As at 31 March 2020
Balance at the beginning of the year	(764.32)	-
Add: Purchase of treasury shares by the trust during the year (net)	(171.18)	(764.32)
Adjustment on account of exercise of options	509.90	-
Balance at the end of the year	(425.60)	(764.32)

(vi) **SWT Reserve** : 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 share based benefits to the employees. SWT purchases shares of the Parent Company out of funds provided by the Parent Company. The Parent Company treats SWT as its extension and shares held by SWT are treated as Treasury Shares. Profit/(loss) on sale/transfer of treasury shares (net of tax) and dividend earned on the same by the SWT is recognized in SWT Reserve.

Particulars	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	-	-
Expense of Trust for the year	(11.36)	-
Balance at the end of the year	(11.36)	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

- (vii) **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 2021	As at 31 March 2020
Balance at the beginning of the year	13,765.46	10,064.89
Net profit for the year	11,255.41	4,393.84
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment benefit obligation (net of tax)	(14.12)	(74.73)
Dividends paid	(261.39)	(522.60)
Dividends distribution tax paid	-	(107.42)
Interim dividend declared	(3,485.60)	-
Transfer on account of exercise/lapse of options	101.74	11.48
Balance at the end of the year	21,361.50	13,765.46

- (viii) **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 2021	As at 31 March 2020
Balance at the beginning of the year	10,347.90	10,320.87
Deferred tax on revaluation of PPE	1.64	27.03
Balance at the end of the year	10,349.54	10,347.90

- (ix) **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 2021	As at 31 March 2020
Balance at the beginning of the year	3,135.22	9,580.53
Changes in fair value of FVOCI equity instruments during the year	3,504.36	(7,289.90)
Deferred tax on above	(409.08)	844.59
Balance at the end of the year	6,230.50	3,135.22

- (x) **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 2021	As at 31 March 2020
Balance at the beginning of the year	95.20	84.78
Other comprehensive income for the year	(2.25)	10.42
Balance at the end of the year	92.95	95.20

14 Employee benefit obligations (non-current)

	As at 31 March 2021	As at 31 March 2020
Leave encashment obligations (Refer Note 30)	419.45	349.57
Total employee benefit obligations (non-current)	419.45	349.57

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

15 Deferred tax liabilities (net)

The balance comprises temporary differences attributable to:

	Balance as at 1 April 2020	Recognised to profit or loss during the year	Recognised to/ reclassified from OCI	Recognised directly to other equity	Balance as at 31 March 2021
Deferred tax liability					
Fair value changes on financial assets-equity instruments	436.81	4.15	409.08	-	850.04
Property, plant and equipment, right-of-use assets, intangible assets and investment property	4,301.44	21.79	-	(1.64)	4,321.59
Minimum guarantee royalty advance	216.86	(75.36)	-	-	141.50
Provision for royalty on licence fees	71.53	70.75	-	-	142.28
Total deferred tax liability	5,026.64	21.33	409.08	(1.64)	5,455.41
Deferred tax asset					
Allowance for expected credit loss	265.60	(11.68)	-	-	253.92
Expenditure allowable for tax purpose in subsequent years	106.82	8.07	4.70	-	119.59
Income received in advance-digital film	18.62	(16.79)	-	-	1.83
Lease Liabilities	11.84	15.90	-	-	27.74
Others	45.27	(45.27)	-	-	-
Total deferred tax asset	448.15	(49.77)	4.70	-	403.08
Net deferred tax liability	4,578.49	71.10	404.38	(1.64)	5,052.33

	Balance as at 1 April 2019	Recognised to profit or loss during the year	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	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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

16 Financial liabilities (current)

16.1 Borrowings

	As at 31 March 2021	As at 31 March 2020
Secured		
Loan repayable on demand from Banks*	-	633.22
Unsecured		
Inter-corporate deposits, repayable on demand	-	290.00
Total borrowings	-	923.22

* Cash Credit from Banks bearing interest rate between 7.70% to 8.40% p.a. (2019-20 : 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), (10.2), (10.4), (10.5) and (10.6) 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 2021	As at 31 March 2020
Trade payables		
a) Total outstanding dues of micro enterprises and small enterprises (Refer below)	1.37	3.46
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	5,629.03	5,796.93
Total trade payables	5,630.40	5,800.39

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 2021	As at 31 March 2020
(a) The Principal amount and interest due thereon remaining unpaid to suppliers under MSMED as at the end of accounting year		
Principal	1.01	1.72
Interest	0.10	0.22
(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	2.02	0.58
Interest	1.54	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	0.16	0.55

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

	As at 31 March 2021	As at 31 March 2020
(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 1.74 Lakhs (31 March 2020 - Rs.1.30 Lakhs) being interest outstanding as at the beginning of the accounting year]	0.36	1.74

16.3 Other financial liabilities

	As at 31 March 2021	As at 31 March 2020
Security deposit		
Security deposit from dealers and others	48.42	88.36
Security deposit from General Insurance Corporation of India on sub lease of property	18.01	18.01
Unpaid dividends*	20.27	20.19
Others		
Dealer's incentive	59.94	93.90
Liabilities for expenses	1,927.23	1,103.83
Employee benefits payable	714.85	819.21
Interest accrued and due on deposits from dealers	50.32	50.32
Liability towards deposits received under settlement	152.58	152.58
Proposed interim dividend	3,485.60	-
Total other financial liabilities	6,477.22	2,346.40

* 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 2021	As at 31 March 2020
Income received in advance	1,758.32	1,763.67
Advance from customers	302.04	277.46
Amount payable to Government authorities*	430.05	338.20
Others	59.50	59.50
Total other current liabilities	2,549.91	2,438.83

*Primarily include payables in respect of Goods and Services Tax (GST) and tax deducted at source (TDS).

18 Provisions

	As at 31 March 2021	As at 31 March 2020
Other provisions		
Provision for returns of magazines	15.56	17.92
Provision for royalty on licence fees (Refer Note 18.1)	7,078.51	5,141.00
Total provisions	7,094.07	5,158.92

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

18.1 Movement of provision for royalty on licence fees

	As at 31 March 2021	As at 31 March 2020
Carrying amount at the beginning of the year	5,141.00	3,555.33
Charged/(credited) to profit or loss		
- created during the year	4,445.44	2,961.95
- discounting on provision created	(567.41)	(281.24)
- unwinding of discount on provision created	286.30	326.83
- unused amounts reversed	(261.41)	(120.09)
Amounts utilised/ transferred during the year	(1,965.41)	(1,301.78)
Carrying amount at the end of the year	7,078.51	5,141.00

19 Employee benefit obligations (current)

	As at 31 March 2021	As at 31 March 2020
Leave encashment obligations (Refer Note 30)	82.11	81.74
Gratuity (Refer Note 30)	92.73	146.66
Total employee benefit obligations (current)	174.84	228.40

20 Revenue from operations

	Year ended 31 March 2021	Year ended 31 March 2020
Sale of products	8,614.02	20,622.68
Sale of services		
Income from films and television serials	5,210.37	7,024.52
Licence fees	28,557.69	23,566.28
Publication	438.43	687.86
Other operating revenue*	1,375.75	246.15
Total revenue from operations	44,196.26	52,147.49

*Includes export incentives of Rs. 915.15 Lakhs (Previous year Rs. 207.02 Lakhs) on account of Service Exports from India Scheme.

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 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 2021	Year ended 31 March 2020	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2021	Year ended 31 March 2020
Revenue by geography								
Domestic	8,370.48	19,245.72	18,881.93	14,773.38	4,622.71	6,481.70	436.92	682.69
International	243.54	1,376.96	9,675.76	8,792.90	587.66	542.82	1.51	5.17
	8,614.02	20,622.68	28,557.69	23,566.28	5,210.37	7,024.52	438.43	687.86
Timing of Revenue Recognition								
Products and services transferred at a point in time	8,614.02	20,622.68	7,637.16	8,632.17	5,210.37	7,024.52	429.36	666.21
Products and services transferred over time	-	-	20,920.53	14,934.11	-	-	9.07	21.65
Total Revenue from Contracts with customers	8,614.02	20,622.68	28,557.69	23,566.28	5,210.37	7,024.52	438.43	687.86

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (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:

	As at 31 March 2021	As at 31 March 2020
Receivables, which are included in 'trade receivables' (Refer Note 10.2)	8,735.30	10,845.84
Contract liabilities, which are included in 'income received in advance' (Refer Note 17)	1,758.32	1,763.67

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 liability .

Changes in contract liabilities are as follows:

	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	1,763.67	1,114.81
Revenue recognised that was included in the contract liabilities at the beginning of the year	(1,763.67)	(1,114.81)
Increase due to invoicing during the year, excluding amounts recognised as revenue during the year	1,758.32	1,763.67
Balance at the end of the year	1,758.32	1,763.67

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 2021	Year ended 31 March 2020
Contracted prices	43,686.16	52,831.42
Reductions towards variable consideration components	(865.65)	(930.08)
Revenue recognised*	42,820.51	51,901.34

* The above balances include 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 2021 (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.	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.
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 access 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 television 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.
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 2021 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

21 Other income

	Year ended 31 March 2021	Year ended 31 March 2020
Liabilities/Provisions no longer required written back	589.18	328.09
Interest income under effective interest method (refer note below)	1,690.72	378.82
Dividend income from equity investments designated at FVOCI*	695.28	309.03
Profit on sale of property, plant and equipment	0.17	0.12
Profit on sale of Investment in Mutual Fund	-	0.12
Fair value gain on Mutual Fund at FVTPL	16.51	-
Rent Income (Refer Note 4)	18.96	23.58
Net gain on foreign currency transactions	22.45	59.13
Other non-operating income	52.10	24.01
Total other income	3,085.37	1,122.90

Note:

Above Interest income comprises :

- Interest income on bank balances and bank deposits	332.01	14.12
- Interest income on income tax refund	674.21	13.61
- Unwinding of discount on financial assets	79.76	67.13
- Discounting of financial liabilities/provision	567.41	281.24
- Other interest	37.33	2.72
Total interest income	1,690.72	378.82

* 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 2021	Year ended 31 March 2020
Cost of materials consumed	31.75	156.04
Contract manufacturing charges	2,074.06	10,546.72
Total cost of material consumed/ contract manufacturing charges	2,105.81	10,702.76

23 Cost of production of films and television serials

	Year ended 31 March 2021	Year ended 31 March 2020
Cost of production of films and television serials	4,649.68	5,408.43
Total cost of production of films and television serials	4,649.68	5,408.43

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (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 2021		Year ended 31 March 2020	
	Opening stock			
- Finished goods- Utelectasted 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
Less: Closing stock				
- Finished goods- Utelectasted television serials/digital films	249.71		264.32	
- Finished goods- Carvaan/music card and others	4,513.73		7,248.70	
- Work-in-progress- Digital films under production	2,133.68	6,897.12	1,835.59	9,348.61
Net decrease		2,451.49		255.96

25 Employee benefits expense

	Year ended 31 March 2021	Year ended 31 March 2020
Salaries, wages and bonus	6,320.50	6,099.81
Share based payment expense (Refer Note 31)	137.71	21.78
Contribution to provident and other funds (Refer Note 30)	349.80	331.42
Staff welfare expenses	145.35	208.53
Total employee benefits expense	6,953.36	6,661.54

26 Finance costs

	Year ended 31 March 2021	Year ended 31 March 2020
Interest expense on financial liabilities measured at amortised cost:		
- on loan and others	26.16	302.06
- unwinding of discount on financial liabilities/provision	286.30	326.83
- on lease liabilities	3.67	9.02
Other borrowing costs	28.93	33.56
Total finance costs	345.06	671.47

27 Depreciation and amortisation expense

	Year ended 31 March 2021	Year ended 31 March 2020
Depreciation on property, plant and equipment	185.59	179.06
Depreciation on right-of-use assets	50.77	81.62
Depreciation on investment properties	5.53	5.56
Amortisation on Intangible asset	319.11	197.52
Total depreciation and amortisation expense	561.00	463.76

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

28 Other expenses

	Year ended 31 March 2021	Year ended 31 March 2020
Power and fuel	95.64	122.33
Rent (Refer Note 4)	409.41	425.59
Repairs - Buildings	106.01	31.89
- Machinery	2.65	-
- Others	50.34	41.13
Royalties	5,661.34	6,124.79
Recording expenses	-	20.26
Carriage, freight and forwarding charges	1,005.27	1,717.50
Rates and taxes	132.97	174.80
Insurance	95.01	121.89
Travel and conveyance	82.44	728.95
Advertisement and sales promotion	3,749.63	9,293.89
Editorial expenses	130.92	137.66
Printing and publishing expenses	42.32	68.14
Printing and communication expenses	286.38	335.66
Bad debts/advances written off	25.52	5.03
Allowance for expected credit loss / provision for doubtful advances	134.77	159.98
Provision for magazine returns	4.40	13.08
Loss on disposal of property, plant and equipment	-	1.81
Legal and consultancy expenses	1,693.29	2,147.58
Corporate social responsibility expenses (Refer Note 28.1)	137.19	113.16
Miscellaneous expense	1,179.09	1,286.58
Total other expense	15,024.59	23,071.70

28.1 Corporate social responsibility expenditure

(a) Gross amount required to be spent by the Group during the year	137.19	113.16
(b) Amount paid to RP-Sanjiv Goenka Group CSR Trust towards purposes other than construction/acquisition of assets	-	113.16
(c) Provision outstanding as at 31 March 2021 and 31 March 2020.	137.19	-

29 Tax expenses

A. Tax expense recognised in the Statement of Profit and Loss

	Year ended 31 March 2021	Year ended 31 March 2020
Current tax		
Current tax on profits for the year	3,773.08	1,968.01
Tax related to previous periods	-	45.95
Total current tax	3,773.08	2,013.96

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

	Year ended 31 March 2021	Year ended 31 March 2020
Deferred tax		
Decrease in deferred tax assets	49.77	89.86
Increase/ (Decrease) in deferred tax liabilities	21.33	(418.50)
Total deferred tax expense charge/ (credit)	71.10	(328.64)
Total tax expense	3,844.18	1,685.32

B. Amount recognised in other comprehensive income

	Year ended 31 March 2021	Year ended 31 March 2020
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	4.70	26.06
Changes in fair value of equity instruments designated at FVOCI	(409.08)	844.59
Total	(404.38)	870.65

C. Reconciliation of tax expense

	Year ended 31 March 2021	Year ended 31 March 2020
Profit before tax	15,190.64	6,034.77
Income tax expense calculated @ 25.17% (31 March 2020 - 25.17%)	3,823.48	1,518.95
Adjustments:		
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Items not deductible for tax purposes	101.05	145.45
Effect of income not taxable	-	(77.78)
Other items	(80.35)	8.72
Impact of change in statutory tax rate	-	89.98
Income tax expense	3,844.18	1,685.32

The tax rate used in the above reconciliation for the year 2020-21 and 2019-20 is the tax rate of 25.17% (22% + surcharge @ 10% and education cess @ 4%) payable on taxable profits under the Income Tax Act, 1961.

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 (LIC), ICICI Prudential Life Insurance Company Limited and Aviva Life Insurance Company Limited, make payment to

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

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 2021		31 March 2020	
	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	647.34	61.31	487.90	45.28
Current service cost	92.43	12.50	64.59	10.84
Interest cost	39.34	4.13	33.68	3.49
<u>Remeasurements (gains) / losses</u>				
Actuarial (gain)/ loss arising from changes in financial assumptions	9.24	(0.37)	27.88	5.69
Actuarial (gain)/ loss arising from changes in experience adjustments	14.40	(2.13)	60.33	0.27
Actuarial (gain)/ loss arising from changes in demographic adjustments	-	-	-	0.01
Benefits paid	(45.60)	(1.47)	(27.04)	(4.27)
Present value of obligation at the end of the year	757.15	73.97	647.34	61.31
(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	508.13	53.86	459.45	54.98
Interest Income	35.77	3.63	33.36	4.24
<u>Remeasurements gains / (losses)</u>				
Return on plan assets (excluding amount included in net interest cost)	1.06	1.26	(5.52)	(1.09)
Contributions by employer	140.00	40.00	30.00	-
Benefits paid	(20.54)	(1.47)	(9.16)	(4.27)
Fair value of plan assets at the end of the year	664.42	97.28	508.13	53.86
(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	757.15	73.97	647.34	61.31
Fair value of plan assets at the end of the year	664.42	97.28	508.13	53.86
Liabilities recognised in the balance sheet	92.73	(23.31)	139.21	7.45
(d) Actual return on plan assets	36.83	4.89	27.84	3.15

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

	31 March 2021		31 March 2020	
	Parent	Subsidiary	Parent	Subsidiary
(e) Re-measurements losses/(gains) recognised in the Other Comprehensive Income				
Return on plan assets (excluding amount included in net interest cost)	(1.06)	(1.26)	5.52	1.09
Effect of changes in financial assumptions	9.24	(0.37)	27.88	5.69
Effect of changes in experience adjustments	14.40	(2.13)	60.33	0.27
Effect of changes in demographic adjustments	-	-	-	0.01
Total re-measurement losses/(gains) included in Other Comprehensive Income	22.58	(3.76)	93.73	7.06
(f) Expense recognised in Statement of Profit or Loss:				
Current service cost	92.43	12.50	64.59	10.84
Net interest cost	3.57	0.50	0.32	(0.75)
Total expense recognised in Statement of Profit and Loss (Refer Note 25)	96.00	13.00	64.91	10.09
(g) Category of plan assets:	In %	In %	In %	In %
(a) Fund with Life Insurance Corporation of India	69%	-	63%	-
(b) NAV based Group Balanced Fund with ICICI Prudential Life Insurance Company Limited	16%	-	18%	-
(c) NAV based Group Short Term Debt Fund with ICICI Prudential Life Insurance Company Limited	7%	-	9%	-
(d) NAV based Group Debt Fund with ICICI Prudential Life Insurance Company Limited	8%	-	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	294.19	8.72	289.27	8.13
1-2 year	37.64	16.64	29.47	11.48
2-5 years	156.66	13.62	128.68	14.22
Over 5 years	451.25	127.43	424.10	109.65
(i) Principal actuarial assumptions:				
Discount rate	6.10%	6.80%	6.30%	6.75%
Salary growth rate	10.00%	7.00%	10.00%	7.00%

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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

(j) Sensitivity analysis	Change in Assumption	Impact on defined benefit obligation (2020-21)	Impact on defined benefit obligation (2019-20)
Discount Rate	Increase by 1%	Decrease by Rs.50.46 Lakhs	Decrease by Rs.40.34 Lakhs
	Decrease by 1%	Increase by Rs.58.53 Lakhs	Increase by Rs.46.94 Lakhs
Salary Growth Rate	Increase by 1%	Increase by Rs.56.09 Lakhs	Increase by Rs.45.09 Lakhs
	Decrease by 1%	Decrease by Rs.49.48 Lakhs	Decrease by Rs.39.62 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.96.00 Lakhs (previous year - Rs.92.00 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 2021 for Parent Company is 6 years (31 March 2020 - 6 years) and for subsidiary is 10 Years (31 March 2020 - 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.15.49 Lakhs (previous year- Rs.14.77 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.209.24 Lakhs (previous year- Rs.227.08 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.

The total closing provision towards this obligation was Rs.501.56 Lakhs and Rs.431.31 Lakhs as at 31 March 2021 and 31 March 2020 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

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 2021	31 March 2020
Leave provision not expected to be settled within the next 12 months (Refer Note 14).	419.45	349.57

(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 increase 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) 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

Grant Date

Grant Price (Rs.)

Vesting Schedule

	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 2021 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

	As at 31 March		As at 31 March	
	2021 #	2020 #	2021 *	2020
Number of SAR outstanding at the beginning of the year	-	200000	100000	100000
Add : Granted during the year	-	-	-	-
Less : Forfeited / lapsed/ cancelled during the year (# and *)	-	200000	100000	-
Less : Exercised during the year	-	-	-	-
Number of SAR outstanding at the end of the year	-	-	-	100000
Fair value of SAR at the end of the year (Rs.)	-	-	-	66.78
Carrying amount of liability - included in employee benefits payable (Rs.in Lakhs) (Refer Note 16.3)	-	-	-	48.07

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:

Share price at measurement date (Rs. per share)
Exercise price (Rs. per share)
Expected time (in years)
Expected volatility (%)
Dividend yield (%)
Risk-free interest rate (%)

	SAR Scheme'2014		SAR Scheme'2018	
	As at 31 March		As at 31 March	
	2021	2020	2021	2020
Share price at measurement date (Rs. per share)	#	#	*	195.30
Exercise price (Rs. per share)	#	#	*	416.20
Expected time (in years)	#	#	*	5.66
Expected volatility (%)	#	#	*	52.96%
Dividend yield (%)	#	#	*	0.54%
Risk-free interest rate (%)	#	#	*	6.00%

#The Nomination and Remuneration Committee of the Board of Directors of the Parent Company in its meeting held on 17 January 2020 cancelled 2,00,000 Stock Appreciation rights issued to eligible employee on 27 October 2014 already vested under the Saregama Stock Appreciation Rights Scheme 2014 ("SAR 2014").

In accordance with the approval granted by shareholders in the Annual General Meeting held on 19 July 2019 w.r.t. modification of employee share benefit schemes, the Nomination and Remuneration Committee has granted 2,00,000 Options to eligible employee under the Saregama Employee Stock Option Scheme 2013 in lieu of SAR 2014 keeping all other terms and conditions of the replaced awards remain the same as the original award, 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 as per the vesting schedule approved by the Nomination and Remuneration Committee and the exercise period is 10 years from the date of vesting.

*The Nomination and Remuneration Committee of the Board of Directors of the Parent Company in its meeting held on 30 June 2020 cancelled 1,00,000 Stock Appreciation rights issued to eligible employees on 31 July 2018 under the Saregama Stock Appreciation Rights Scheme 2018 ("SAR 2018").

In accordance with the aforesaid shareholders approval w.r.t. modification of employee share benefit schemes, the Nomination and Remuneration Committee has granted 1,00,000 Options to the eligible employees under the Saregama Employee Stock Option Scheme 2013 in lieu of SAR 2018 keeping all other terms and conditions of the replaced awards remain the same as the original award, 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 as per the vesting schedule approved by the Nomination and Remuneration Committee and the exercise period is 10 years from the date of vesting.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

(b) 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 Company of Rs.10 each upon payment of the exercise price during the exercise period as defined in the Scheme.

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.

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 2016-17, 2019-20 and 2020-21 to certain eligible employees and outstanding as on 31 March 2021 at the following exercise price, being prevailing market price as on date of grant to respective employee :

Name of eligible employees	As at 31 March 2021		As at 31 March 2020	
	No. of options/ shares	Exercise price per share (Rs.)	No. of options/ shares	Exercise price per share (Rs.)
Mr. Vikram Mehra, Managing Director**	90,000	416.20	200,000	170.65
Mr. Kumar Ajit, Vice President - Sales and marketing@	2,000	243.70	4,000	243.70
Ms. Rashna Pochkhanwala, Vice President - Music Licencing**	10,000	416.20	-	-

@ 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.

** 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 Company's equity shares by the Trust.

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		Rashna Pochkhanwala	Kumar Ajit
Grant date	17-Jan-20	30-Jun-20	30-Jun-20	9-Sep-16
Fair value at grant date (Rs.)	304.40	244.26	244.26	141.90
Share price at grant date (Rs.)	435.00	426.80	426.80	243.70
Exercise price (Rs.)	170.65	416.20	416.20	243.70
Expected volatility	48.50%	55.80%	55.80%	55.96%
Expected Life (expected weighted average life)	3.9 Years	6.24	6.24	8 Years
Expected dividend	0.54%	0.58%	0.58%	1.34%
Risk free interest rate (based on Government bonds)	6.40%	5.56%	5.56%	7.00%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (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 2021	31 March 2020
Number of Options Outstanding at the beginning of the year	204000	19529
Number of Options granted during the year	100000	200000
Number of Options forfeited/lapsed during the year	-	9
Number of Options vested during the year	202000	2000
Number of Options exercised during the year	202000	15520
Number of Shares arising as a result of exercise of options	2000	15520
Number of Options outstanding at the end of the year	102000	204000
Number of Options exercisable at the end of the year	-	-

The weighted average share price of shares arising upon exercise of Options for the year ended 31 March 2021 based on the closing market price on NSE was Rs.815.35 (31 March 2020 - Rs.476.91).

(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 2021	Year ended 31 March 2020
Employee stock option scheme	137.71	21.78
Share appreciation rights (SAR)	102.54	(510.05)

During the year ended 31 March 2021 and 31 March 2020, the Parent Company issued ESOP as replacement for outstanding stock appreciation rights awards. The replacement was pursuant to SEBI (Share Based Employee Benefits) Regulations, 2014. The awards were granted after necessary approvals from the Nomination and Remuneration Committee, all other terms and conditions of the replaced awards remain the same as the original award.

The replacement awards was accounted as a modification and the fair value on the date of modification of Rs.150.61 Lakhs (2019-20 - Rs.510.81 Lakhs) recognized as equity with a corresponding adjustment to financial liability. The movement in the fair value of Stock Appreciation Rights till the date of its cancellation has been charged to the statement of profit and loss.

32 Fair value measurements

(i) Financial instruments by category

	Notes	As at 31 March 2021 Carrying Amount / Fair Value	As at 31 March 2020 Carrying Amount / Fair Value
A. Financial assets			
(a) Measured at fair value through OCI			
Investments			
Equity instruments	7.1	11,141.20	7,544.15
Sub total		11,141.20	7,544.15
(b) Measured at fair value through profit and loss			
Investments			
Units of Mutual Funds (quoted)	10.1	2,516.38	-
Sub total		2,516.38	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

(c) Measured at amortised cost			
Trade receivables	10.2	8,735.30	10,845.84
Cash and cash equivalents	10.3	1,113.49	704.70
Other bank balances	10.4	13,383.87	194.61
Loans and deposits	7.2,10.5	1,351.79	503.58
Other financial assets	7.3,10.6	185.85	7.49
Sub total		24,770.30	12,256.22
Total financial assets		38,427.88	19,800.37
B. Financial Liabilities			
Measured at amortised cost			
Borrowings	16.1	-	923.22
Lease liabilities	4	110.22	47.03
Trade payables	16.2	5,630.40	5,800.39
Other financial liabilities	16.3	6,477.22	2,346.40
Total financial liabilities		12,217.84	9,117.04
(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.

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 counterparty 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 2021 and 31 March 2020.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

Particulars	Fair Value Hierarchy Level	As at	As at
		31 March 2021	31 March 2020
Financial assets			
Measured at fair value through OCI			
Investments			
Equity instruments (quoted)	1	10,954.97	7,365.61
Equity instruments (un-quoted)	3	186.23	178.54
		11,141.20	7,544.15
Measured at fair value through profit and loss			
Investments			
Units of Mutual Funds (quoted)	1	2,516.38	-

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 2021	31 March 2020
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.96.62 Lakhs. Decrease in earning growth rate by 1% and higher discount rate by 1% would decrease fair value by Rs. 69.83 Lakhs.	Increase in earning growth rate by 1% and lower discount rate by 1% would increase fair value by Rs.46.17 Lakhs. Decrease in earning growth rate by 1% and higher discount rate by 1% would decrease fair value by Rs. 40.60 Lakhs.

Level 3 fair values - Movement in the values of unquoted equity instruments

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

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 2019	139.53
Gain / (loss) included on OCI	
- Net change in fair value (unrealised)	39.01
Balance at 31 March 2020	178.54
Balance at 1 April 2020	178.54
Gain / (loss) included on OCI	
- Net change in fair value (unrealised)	7.69
Balance at 31 March 2021	186.23

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. 8,735.30 Lakhs as on 31 March 2021 (31 March 2020 - Rs.10,845.84 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 2021	As at 31 March 2020
Opening balance	1,143.40	1,006.83
Add: Provision made during the year (net)	37.77	136.57
Less: Utilisation for impairment/de-recognition/reversal of provision	-	-
Closing balance	1,181.17	1,143.40

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

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 2021 and 31 March 2020 is the carrying amounts as disclosed in Note 7.1, 7.2, 7.3, 10.1, 10.3, 10.4, 10.5 and 10.6.

(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 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 2021	As at 31 March 2020
(i) Borrowings including interest obligation (Refer Note 16.1)	-	923.22
(ii) Lease liabilities (Refer Note 4)	127.08	48.91
(iii) Trade payables (Refer Note 16.2)	5,630.40	5,800.39
(iv) Other financial liabilities (Refer Note 16.3)	6,477.22	2,346.40
	12,234.70	9,118.92

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 2021		As at 31 March 2020	
	Financial Assets	Financial Liabilities	Financial Assets	Financial Liabilities
USD	582.57	-	416.54	6.60
Others	8.04	-	16.58	-
Total	590.61	-	433.12	6.60

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

Net Exposure to Foreign Currency Risk (Assets - Liabilities)

	As at 31 March 2021	As at 31 March 2020
USD	582.57	409.94
Others	8.04	16.58
Total	590.61	426.52

(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 2021	Year ended 31 March 2020
USD sensitivity		
INR/USD -Increase by 10%	58.26	40.99
INR/USD -Decrease by 10%	(58.26)	(40.99)
Other currencies sensitivity		
INR/Others-Increase by 10%	0.80	1.66
INR/Others-Decrease by 10%	(0.80)	(1.66)

(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 2021		As at 31 March 2020	
	Floating Rate	Fixed Rate	Floating Rate	Fixed Rate
Financial assets	-	9,878.25	-	174.67
Financial liabilities	-	-	923.22	-
	-	9,878.25	923.22	174.67

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. Nil (31 March 2020 - Rs.4.62 Lakhs) in interest expense on financial liabilities with floating interest rate and corresponding impact on profit before tax for the year ended 31 March 2021.

The Group invests its surplus funds in fixed deposits and debt mutual funds. 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 2021 is Rs.11,141.20 Lakhs (31 March 2020 - Rs.7,544.15 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 2021 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

The Group also invests in mutual fund schemes of leading fund houses. Such investments are susceptible to market price risk that arise mainly from changes in interest rate which may impact the return and value of such investments. However, given the relatively short tenure of underlying portfolio of the mutual fund schemes in which the Company has invested, such price risk is not significant.

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 2021	As at 31 March 2020
Total borrowings (Refer Note 16.1)	-	923.22
Less: Cash and cash equivalents (Refer Note 10.3)	(1,113.49)	(704.70)
Net Debt	(1,113.49)	218.52
Equity (Refer Note 13.1 and 13.2)	50,578.69	39,879.07
Net Debt to Equity Ratio	(0.02)	0.01

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 2021 and 31 March 2020.

(b) Dividend on equity shares

	Year ended 31 March 2021	Year ended 31 March 2020
Dividend declared and paid during the year		
Final dividend for the year ended 31 March 2020 of Rs.1.50 (31 March 2019 - Rs.3.00) per fully paid share	261.39	522.60
Dividend distribution tax on above	-	107.42
Interim dividend for the year ended 31 March 2021 of Rs.20 (31 March 2020 - Rs.Nil) per fully paid share	3,485.60	-
	3,746.99	630.02

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

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.Nil per fully paid share (31 March 2020 – Rs.1.50). 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.

Year ended 31 March 2021	Year ended 31 March 2020
-	261.39
-	261.39

35 Related party disclosures**a) Where Control exists****Holding Company**

Name	Type	Place of Incorporation	Ownership Interest	
			As at 31 March 2021	As at 31 March 2020
Composure Services Private Limited (CSPL)	Holding Company	India	59.05%	59.06%

b) Joint venture

Saregama Regency Optimedia Private Limited (SROPL) (under liquidation effective 19 September 2016) [Refer Note 36 (b)]

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
Mrs.Preeti Goenka	Non-Executive Director of Parent Company
Mrs.Avarna Jain	Non-Executive Director of Parent Company
Mr. Umang Kanoria	Non-Executive Independent Director of Parent Company
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
Mrs.Kusum Dadoo	Non-Executive Independent Director appointed w.e.f. 05 June 2020 and resigned w.e.f. 04 February 2021
Mrs. Suhana Murshed	Non-Executive Independent Director appointed w.e.f 23 March 2021
Mr.Vineet Garg	Chief Financial Officer of Parent Company
Mrs.Kamana Goenka	Company Secretary of Parent Company
Mr.Rajendra Dey	Director of Holding Company
Mr.Akhilanand Joshi	Director of Holding Company

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

d) Other Related Parties with whom the Company had transactions

Name	Relationship
RPSG Resources Private Limited (formerly known as Accurate Commodore Private Limited)	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

Transactions with related parties

	Year ended 31 March 2021	Year ended 31 March 2020
A Holding Company		
Dividend Paid	154.37	308.75
B Entity jointly controlled by KMP of the Parent Company		
RPSG Resources Private Limited		
Royalty expense for brand usage	425.00	118.75
Re-imburement of expenses received	200.00	68.75
C Remuneration to Key management personnel of the Parent Company		
Mr.Vikram Mehra *	642.29	593.14
Mr.Vineet Garg	182.88	163.95
Mrs.Kamana Goenka	15.06	14.42
D Loan given to Mr. Vikram Mehra	895.00	-
E Sitting fees paid to Key management personnel of Parent Company		
Mr.Sanjiv Goenka	1.25	1.20
Mrs.Preeti Goenka	1.00	0.80
Mrs.Avarna Jain	1.00	0.80
Mr.Umang Kanoria	1.40	0.50
Mr.Santanu Bhattacharya	1.95	1.75
Mr.Arindam Sarkar	1.00	0.80
Mr.Noshir Naval Framjee	1.70	1.75
Mrs.Kusum Dadoo	0.60	-
F Post employment benefit plan of the Parent Company		
Contribution towards Saregama India Limited Employees Group Gratuity Fund	140.00	30.00
Contribution towards Saregama India Limited Superannuation Fund	15.49	14.77
G Other Related Party		
Loans given to Saregama Welfare Trust for purchase of treasury shares	210.00	767.95

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

Key management personnel compensation*

	Year ended 31 March 2021	Year ended 31 March 2020
Short-term Employee Benefits	786.60	731.96
Post Employment Benefits	37.49	29.61
Other Long- term Benefits	16.14	9.94

* The above compensation does not include perquisite value of interest free loan and perquisite value of shares options exercised during the year aggregating to Rs.1,341.75 Lakhs for the year ended 31 March 2021, as defined under the Income-tax Act,1961.

The total managerial remuneration paid/payable to Managing Director of the Parent Company including the aforesaid perquisite value of interest free loan and perquisite value of shares options exercised during the year, as defined under the Income-tax Act, 1961, has exceeded the prescribed limits under Section 197 read with Schedule V to the Companies Act, 2013. The Parent Company has obtained necessary approvals as required under the relevant provisions of the Companies Act, 2013.

Balances outstanding at the year end

	As at 31 March 2021	As at 31 March 2020
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 Parent Company		
RPSG Resources Private Limited		
Re-imbursment of expenses receivable	177.00	56.12
C Key management personnel of the Parent Company		
Remuneration payable		
- Mr.Vikram Mehra	125.00	103.85
- Mr.Vineet Garg	26.79	23.76
- Mrs.Kamana Goenka	1.73	1.53
Loan given to Mr. Vikram Mehra	895.00	-
D Other Related Party		
Saregama Welfare Trust		
Loans	-	3.63
@ Gross of Provision.		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

36 Interest in other entities:

(a) Interests in subsidiaries

The Parent Company's subsidiaries at 31 March 2021 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 2021	31 March 2020
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 2021. 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 2021	31 March 2020
Saregama Regency Optimedia Private Limited (SROPL)	India	26%	26%

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.1,058.38 Lakhs (31 March 2020 - Rs.153.87 Lakhs)] as at 31 March 2021 are estimated at Rs.1,376.43 Lakhs (31 March 2020- Rs.89.33 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.1,050.74 Lakhs as at 31 March 2021 (31 March 2020 - Rs.2,090.00 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.463.63 Lakhs as at 31 March 2021 (31 March 2020 - Rs.513.09 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

(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.20.25 Lakhs as at 31 March 2021 (31 March 2020 - Rs.39.03 Lakhs) is considered as contingent on account of such claims / law suits.

(iv) Other matters including claims related to property related demands Rs.4,295.04 Lakhs as at 31 March 2021 (31 March 2020 - Rs.3,628.09 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 2021		Year ended 31 March 2020	
	Foreign currency in Lakhs	Amount in Rs. Lakhs	Foreign currency in Lakhs	Amount in Rs. Lakhs
Trade Receivables	USD 7.98	582.57	USD 5.52	416.54
Trade Receivables	OMR 0.01	0.12	-	-
Trade Receivables	-	-	MYR 0.03	0.53
Trade Receivables	AED 0.10	1.98	AED 0.32	6.60
Trade Receivables	-	-	SGD 0.01	0.45
Trade Receivables	NPR 9.85	5.94	NPR 14.29	9.00
Trade Payables	-	-	USD 0.14	6.60

40 Basic and diluted earnings per share:

	Year ended 31 March 2021	Year ended 31 March 2020
Number of equity shares at the beginning of the year	17,426,012	17,410,492
Number of equity shares at the end of the year	17,428,012	17,426,012
Weighted average number of equity shares outstanding during the year (A)	17,427,130	17,421,054
Weighted average number of equity shares held in controlled trust (B)	273,799	50,285
Weighted average number of equity shares for computing basic earnings per share [C= (A-B)]	17,153,331	17,370,769
Weighted average number of potential equity shares on account of employee stock options (D)	169,071	26,385
Weighted average number of equity shares for computing diluted earnings per share [E= (C+D)]	17,322,402	17,397,154
Nominal value of each equity share (Rs.)	10	10
Profit after tax available for equity shareholders (Rs.in Lakhs) [F]	11,255.41	4,393.84
Basic earnings per share (Rs.) [F/C]	65.61	25.29
Diluted earnings per share (Rs.) [F/E]	64.97	25.26

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

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.

(b) Information about reportable segments

Particulars	Year ended 31 March 2021				Year ended 31 March 2020			
	Music	Films/TV Serials	Publication	Total	Music	Films/TV Serials	Publication	Total
Segment revenue								
- External sales	38,547.46	5,210.37	438.43	44,196.26	44,434.49	7,025.00	688.00	52,147.49
- Intersegment sales	-	-	-	-	-	-	-	-
Total segment revenue	38,547.46	5,210.37	438.43	44,196.26	44,434.49	7,025.00	688.00	52,147.49

Particulars	Year ended 31 March 2021				Year ended 31 March 2020			
	Music	Films/TV Serials	Publication	Total	Music	Films/TV Serials	Publication	Total
Segment result	18,794.72	(3.85)	(1,203.24)	17,587.63	9,055.51	915.11	(1,291.80)	8,678.82
Reconciliation to profit before tax								
Finance costs				(345.06)				(671.47)
Other unallocated expenditure (net of unallocated income)				(2,051.93)				(1,972.58)
Profit before tax				15,190.64				6,034.77
Taxes				(3,844.18)				(1,685.32)
Profit for the year				11,346.46				4,349.45

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

Particulars	Year ended 31 March 2021					Year ended 31 March 2020				
	Music	Films/TV Serials	Publication	Unallocated	Total	Music	Films/TV Serials	Publication	Unallocated	Total
Segment depreciation and amortisation	496.77	37.74	20.96	5.53	561.00	372.75	66.54	18.89	5.58	463.76
Non cash expenses*					561.00					463.76

*There are no other significant non-cash expenditure other than depreciation and amortisation

Particulars	As at 31 March 2021				As at 31 March 2020			
	Music	Films/TV Serials	Publication	Total	Music	Films/TV Serials	Publication	Total
Segment assets	40,156.00	5,724.00	456.05	46,336.05	42,878.18	5,489.14	466.19	48,833.51
Reconciliation to total assets								
Unallocated assets				32,064.15				13,141.67
Total assets				78,400.20				61,975.18

Particulars	Year ended 31 March 2021					Year ended 31 March 2020				
	Music	Films/TV Serials	Publication	Unallocated	Total	Music	Films/TV Serials	Publication	Unallocated	Total
Addition to non current assets other than financial assets	1,012.00	17.37	9.75	187.71	1,226.83	734.19	5.42	1.07	125.94	866.62

Particulars	As at 31 March 2021				As at 31 March 2020			
	Music	Films/TV Serials	Publication	Total	Music	Films/TV Serials	Publication	Total
Segment liabilities	16,485.73	909.00	285.02	17,679.75	14,373.45	826.56	297.86	15,497.87
Reconciliation to total liabilities								
Unallocated liabilities				9,828.69				6,373.38
Total liabilities				27,508.44				21,871.25

(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 2021	Year ended 31 March 2020
India	33,687.79	41,429.65
Other Countries	10,508.47	10,717.84
Total	44,196.26	52,147.49

The total of segment assets broken down by location of the assets is shown below-

Non-current assets*	As at 31 March 2021	As at 31 March 2020
India	23,898.31	22,156.26
Other Countries	-	-
Total	23,898.31	22,156.26

* 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (contd.)

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 2021 Net Assets, i.e. total assets minus total liabilities		2020-21 Share in Profit or Loss		2020-21 Share in Other Comprehensive Income		2020-21 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	100.12%	50,954.15	94.32%	10,701.79	81.55%	2,508.55	91.60%	13,210.34
Subsidiaries								
Indian								
Kolkata Metro Networks Limited	4.09%	2,081.56	0.85%	96.71	18.52%	569.83	4.62%	666.54
Open Media Network Private Limited	0.40%	206.03	-0.02%	(2.37)	0.09%	2.78	0.00%	0.41
Foreign								
RPG Global Music Limited	-0.88%	(445.48)	0.00%	(0.02)	-	-	0.00%	(0.02)
Saregama Limited (Formerly Saregama Plc.)	-0.58%	(295.68)	2.60%	294.92	-0.30%	(9.18)	1.97%	285.74
Saregama FZE	0.11%	57.84	-0.55%	(62.09)	0.23%	6.93	-0.38%	(55.16)
Non-Controlling Interest								
Adjustment arising out of consolidation	-3.88%	(1,979.73)	2.00%	226.47	-	-	1.57%	226.47
Total	100%	50,891.76	100%	11,346.46	100%	3,076.07	100%	14,422.53

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 Number: 055757

Place: Kolkata
Date: 12 May 2021

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

Sanjiv Goenka
Chairman
DIN: 00074796

Vineet Garg
Chief Financial Officer

Place: Kolkata
Date: 12 May 2021

Vikram Mehra
Managing Director
DIN: 03556680

Kamana Goenka
Company Secretary
ACS: 35161

Place: Kolkata
Date: 12 May 2021

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

(Amount in Rupees lakhs, except otherwise stated)

	Year ended 31 March 2021		Year ended 31 March 2020	
A. Cash Flow from Operating Activities				
Profit Before Tax		15,190.64		6,034.77
Adjustments for:				
Depreciation and amortisation expense	561.00		463.76	
Allowance for expected credit loss	134.77		159.98	
Finance costs	345.06		671.47	
Liabilities/Provisions no longer required written back	(589.18)		(328.09)	
Interest income	(1,690.72)		(378.82)	
Share based payment expense	137.71		21.78	
Bad debts/advances written off	25.52		5.03	
Loss on disposal of Property, plant and equipment	-		1.81	
Profit on sale of Property, plant and equipment	(0.17)		(0.12)	
Profit on sale of Investment in Mutual Fund	-		(0.12)	
Fair value gain on Mutual Fund	(16.51)		-	
Net loss / (gain) on unrealised foreign currency transactions	31.50		(78.97)	
Dividend income from equity investments designated at FVOCI	(695.28)		(309.03)	
		(1,756.30)		228.68
Operating profit before Working Capital Changes		13,434.34		6,263.45
Adjustments for:				
(Increase)/Decrease in Other current assets, Loans and deposits, Other non-current assets	(1,120.90)		2,171.94	
Increase in Other financial liabilities, Provisions, Other current liabilities	3,337.87		1,042.26	
Increase in Trade payables	221.47		233.98	
(Decrease)/Increase in Employee benefit obligations	(2.50)		105.50	
Decrease in Trade receivables	2,032.21		63.63	
Decrease in Inventories	2,444.26		266.00	
		6,912.41		3,883.31
Cash generated from operations		20,346.75		10,146.76
Income taxes paid (net of refund and interest)		(1,375.48)		(2,212.87)
Net cash generated from Operating Activities (A)		18,971.27		7,933.89
B. Cash Flow from Investing Activities				
Purchase of Property, plant and equipment and intangible assets	(2,200.71)		(827.80)	
Sale of Property, plant and equipment	0.17		0.12	
Interest received	190.98		28.38	
Investment in equity shares of other company (quoted)	(92.70)		-	
Dividend income from equity investments designated at FVOCI	695.28		309.03	
Investment in Mutual funds	(2,499.87)		(150.00)	
Proceeds from sale of Investment in Mutual funds	-		150.12	
Fixed deposits placed with banks (with maturity more than 3 months)	(9,703.58)		(12.06)	
Net cash used in Investing Activities (B)		(13,610.43)		(502.21)

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

	Year ended 31 March 2021		Year ended 31 March 2020	
C. Cash Flow from Financing Activities				
Repayment of Short term borrowings	(923.22)		(5,453.31)	
Proceeds form issue of shares	0.20		1.55	
Share premium received on issue of shares	4.67		19.72	
Purchase of Investment by Saregama Welfare Trust (Treasury Shares) (net)	(171.18)		(764.32)	
Repayment of principal portion of lease liabilities	(52.72)		(78.91)	
Interest paid on lease liabilities	(3.67)		(9.02)	
Interest paid on others	(55.09)		(332.29)	
Dividend paid	(261.39)		(522.60)	
Dividend distribution tax paid	-		(107.42)	
Interim dividend	(3,485.60)		-	
Net cash used in Financing Activities (C)		(4,948.00)		(7,246.60)
Net increase in cash and cash equivalents (A+B+C)		412.84		185.08
Cash and Cash Equivalents at the beginning of the year (Refer Note 10.3)		704.70		500.21
Effect of exchange rate changes		(4.05)		19.41
Cash and Cash Equivalents at the end of the year (Refer Note 10.3)		1,113.49		704.70

Notes:

- The above Cash Flow Statement has been prepared under the Indirect Method as set out in Ind AS - 7 "Statement of Cash Flows".
- Reconciliation of liabilities from financing activities:

	Balance as at 1 April 2020	Cash flows	Non-cash changes	Balance as at 31 March 2021
Borrowings	923.22	(923.22)	-	-
Lease liabilities	47.03	(56.39)	119.58	110.22
Total liabilities from financing activities	970.25	(979.61)	119.58	110.22

	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
Lease liabilities	-	(87.93)	134.96	47.03
Total liabilities from financing activities	6,376.53	(5,541.24)	134.96	970.25

The accompanying notes 1 to 42 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 Number: 055757

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

Sanjiv Goenka
Chairman
DIN: 00074796

Vineet Garg
Chief Financial Officer

Vikram Mehra
Managing Director
DIN: 03556680

Kamana Goenka
Company Secretary
ACS: 35161

Place: Kolkata
Date: 12 May 2021

Place: Kolkata
Date: 12 May 2021

Place: Kolkata
Date: 12 May 2021

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	324.27	310.62	1,026.20	1,705.00	7,082.70
4. Other Equity / Reserves & surplus	86.32	(127.78)	(252.77)	(1,471.68)	376.56	(6,876.67)
5. Total assets	711.85	594.86	172.96	3.00	2,302.29	490.94
6. Total Liabilities (excluding Capital and Reserves)	556.29	398.37	115.11	448.48	220.73	284.91
7. Details of Investment (except in case of investment in the Subsidiaries)	-	-	-	-	2,020.62	-
8. Turnover	826.59	686.86	90.94	-	234.18	1,653.02
9. Profit /(Loss) before taxation	163.01	175.08	(62.09)	(0.02)	116.22	(3.35)
10. Provision for taxation	-	(19.30)	-	-	19.51	(0.98)
11. Profit after taxation	163.01	194.38	(62.09)	(0.02)	96.71	(2.37)
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.100.41 for Asset (Closing Buying Rate), Fixed Asset at Historical cost

GBP1 = Rs.103.60 for Liabilities (Closing Selling Rate), Share Capital and Share Premium at Historical cost

GBP1 = Rs.94.82 for Income (Average Buying Rate)

GBP1 = Rs.97.84 for Expense (Average Selling Rate)

** AED exchange rates as at year end considered for conversion:

AED1 = Rs.19.28 for Asset (Closing Buying Rate),

AED1 = Rs.20.49 for Liabilities (Closing Selling Rate), Share Capital at Historical cost

AED1 = Rs.19.66 for Income (Average Buying Rate)

AED1 = Rs.20.86 for Expense (Average Selling Rate)

* Rate Conversion from GBP to USD is 1.3976

Step down subsidiary of the Parent company through Saregama Limited

Part "B": Associates and Joint Ventures

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

Kolkata,
12 May 2021Sanjiv Goenka
Chairman
DIN: 00074796Vikram Mehra
Managing Director
DIN: 03556680Vineet Garg
Chief Financial OfficerKamana Goenka
Company Secretary
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-Fourth Annual General Meeting (“AGM”) of the Members of Saregama India Limited will be held on Monday, August 16, 2021 at 12:00 Noon IST through Video Conferencing (VC)/ Other Audio Visual Means (OAVM), to transact the following business:

ORDINARY BUSINESS

- To receive, consider and adopt:
 - the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2021, together with the Reports of the Board of Directors and Auditors thereon.
 - the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2021 and the Report of Auditors thereon.
- To confirm payment of interim dividend of ₹ 20 per equity share for the year ended March 31, 2021.
- To appoint Mrs. Avarna Jain (DIN: 00074796), who retires by rotation and being eligible, offers herself 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 remuneration paid/payable to Mr. Vikram Mehra (DIN: 03556680) effective from 01st day of January, 2021 to 31st December, 2023, upon the terms and conditions set out in the Explanatory Statement annexed to this Notice, with liberty to the Directors / Nomination and Remuneration Committee to alter and vary the terms and conditions of the said appointment in such manner as may be agreed between the Directors and Mr. Vikram Mehra.

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.”

NOTICE (contd.)

6. Continuation of directorship of Mr. Santanu Bhattacharya (DIN: 01794958), as Non-executive Independent Director in terms of Regulation 17 (1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to Regulation 17 (1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder, consent of the Members be and is hereby accorded to continue and hold office of Non-executive Independent Director of the Company by Mr. Santanu Bhattacharya (DIN: 01794958) (who will attain 75 years of age during FY 2021-22) till his current tenure of appointment i.e. upto December 21, 2025.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and to sign all such documents and writings as may be necessary to give effect to this resolution and for matters connected therewith or incidental thereto.”

7. Re-appointment of Mr. Noshir Naval Framjee (DIN: 01646640) 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. Noshir Naval Framjee (DIN: 01646640), who holds office of Non-Executive Independent Director up to June 11, 2022 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 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. Framjee’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 June 12, 2022 upto June 11, 2027.”

RESOLVED FURTHER THAT pursuant to Regulation 17 (1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder, consent of the Members be and is hereby accorded to continue and hold office of Non-executive Independent Director of the Company by Mr. Noshir Naval Framjee (DIN: 01646640) who has attained 75 years of age till his proposed tenure of appointment i.e. upto June 11, 2027.

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. Appointment of Ms. Suhana Murshed (DIN: 08572394) 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and in accordance with the Articles of Association of the Company and pursuant to the recommendation by the Nomination and Remuneration Committee of Directors, Ms. Suhana Murshed (DIN: 08572394) who was appointed as an Additional Non-Executive Independent Woman Director of the Company by the Board of Directors with effect from March 23, 2021 and who has submitted a declaration that she meets the criteria of independence as per the provisions of the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended 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. Suhana Murshed 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. March 23, 2021 to March 22, 2026, not liable to retire by rotation.”

NOTICE (contd.)

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.”

Registered Office:
33, Jessore Road, Dum Dum Kolkata-700 028
CIN: L22213WB1946PLC014346

By Order of the Board

Dated: May 12, 2021
Place: Kolkata

Kamana Goenka
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 8 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 May 12, 2021 considered that the special businesses under Item No. 4 to 8, being considered unavoidable, be transacted at the 74th 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 General Circular No. 02/2021 dated 13th January 2021 and other applicable circulars 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 2021. In accordance with, the said circulars of MCA, SEBI and applicable provisions of the Act and SEBI LODR Regulations, the 74th 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 Tuesday, August 10, 2021, to Monday, August 16, 2021 (both days inclusive).

NOTICE (contd.)

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 also note that the Annual Report for the financial year 2020-2021 and the Notice of the 74th AGM will also 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 2020-2021, the Notice of the 74th 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. 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 Scheme 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>.

ELECTRONIC DISPATCH OF ANNUAL REPORT AND PROCESS FOR REGISTRATION OF EMAIL ID FOR OBTAINING COPY OF ANNUAL REPORT:

14. 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).
15. 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:

16. Members are requested to join the AGM on Monday, August 16, 2021 through VC/OAVM mode latest by 11.45 a.m. IST by clicking on the link <https://www.evoting.nsdl.com/> under members login by using the remote voting credentials and following the procedures mentioned later in these Notes. The VC/OAVM shall be kept open for the members from 11:30 a.m. IST and may be closed at 12:30 p.m. IST, or, soon thereafter.
17. 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.
18. 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.

NOTICE (contd.)

19. 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
20. 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:

21. 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 Tuesday, August 10, 2021 by 5 p.m. IST.
22. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
23. 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.
24. 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:

25. 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.
26. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on August 9, 2021, 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.
27. 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 Friday, August 13, 2021 and will end at 5.00 p.m. IST on Sunday, August 15, 2021. 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/>.
28. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned below for remote e-voting.
29. 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.
30. 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.
31. 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.

NOTICE (contd.)

PROCEDURE FOR REMOVE E-VOTING AND E-VOTING

32. 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: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 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. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. <div style="text-align: center;"> <p>NSDL Mobile App is available on</p>    </div>

NOTICE (contd.)

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

- 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.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section.
- A new screen will open. You will have to enter your User ID, your Password/OTP 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.

NOTICE (contd.)

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. Password details for shareholders other than Individual shareholders are given below:
- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - 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.
 - How to retrieve your 'initial password'?
 - 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'.
 - 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 etc.
 - 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.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

- After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
- Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".

NOTICE (contd.)

3. Now you are ready for e-Voting as the Voting page opens.
4. 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.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. 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 goenkamohan@gmail.com with a copy marked to evoting@nsdl.co.in.
2. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is send through e-mail and holding shares as of the cut-off date i.e. August 9, 2021, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/ RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” or “Physical User Reset Password” option available on www.evoting.nsdl.com or call on toll free no. 1800 1020 990 and 1800 22 44 30 . In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. August 9, 2021 may follow steps mentioned in the Notice of the AGM under Step 1 :“Access to NSDL e-Voting system”(Above).
3. 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. 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.
4. 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 1020 990 and 1800 22 44 30 or send a request to Mr. Amit Vishal, Senior Manager and /or Ms. Pallavi Mhatre, Manager 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. If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

NOTICE (contd.)

DIVIDEND RELATED INFORMATION

33. **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.
34. **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 for the Financial Year ended 31st March, 2014 is due to be transferred to the aforesaid account on or before September 3, 2021. 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

35. Members are requested to:
- 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.
 - 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.
 - 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.
36. Non-Resident Indian Members are requested to inform the Registrar and Share Transfer Agents i.e. MCS Share Transfer Agent Limited immediately on:
- the change in residential status on return to India for permanent settlement; and
 - 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.
37. 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.
38. 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.
39. 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 fourth AGM.
40. 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.
41. The results of the electronic voting shall be declared to the Stock Exchanges after the conclusion of AGM. The results along with the Scrutinizer's Report, shall also be placed on the website of the Company at www.saregama.com.

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 May 12, 2021, the Board has, considered and approved the appointment of Messrs. Shome & Banerjee, Cost Accountants as the Cost Auditor for the financial year 2021-2022 at a remuneration of ₹ 1 lakh per annum plus applicable taxes and travelling and reimbursement of out of pocket expenses subject to approval of the members of the Company.

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 March 23, 2021 decided to revise the salary payable to Mr. Vikram Mehra (DIN: 03556680) w.e.f. January 1, 2021. Details of revised remuneration paid / payable to Mr. Vikram Mehra (DIN: 03556680) is given below:

Basic Salary	₹ 1,17,83,568 per annum. The Annual Basic Salary and increments will be decided by the Nomination and Remuneration Committee/Board of Directors depending on the performance of Mr. Vikram Mehra, the profitability of the Company and other relevant Factors.
House Rent Allowance	₹ 71,78,136 per annum
Customized Allowance Pool (comprising of Management Allowance)	₹ 3,18,75,732 per annum
Car	₹ 18,85,368 per annum
Driver, Petrol and others	₹ 9,42,696 per annum
Medical	₹ 29,472 per annum
Performance Bonus	₹ 1,25,00,000 This is only an indicative amount. The actual Bonus is based on performance of both individual and Company; as per company's policy and will be decided by the Nomination and Compensation Committee/Board of Directors.
Provident Fund	₹14,14,032 per annum
Total	₹ 6,76,09,004 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.

NOTICE (contd.)

- 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.
- Perquisites arise on exercise of share options or as defined under Income Tax Act

The aggregate of salary and perquisites as specified above or paid additionally in accordance with the rules of the Company in any financial year, which the Board in its absolute discretion pay to the abovementioned Director from time to time, Accordingly, remuneration calculated as per section 2(78) of companies act 2013 may exceed the limits prescribed from time to time under Sections 197 read with Schedule V and all other applicable provisions, if any of the Companies Act, 2013, (including any statutory modification(s) or re-enactment thereof, for the time being in force).

Mr. Vikram Mehra was granted 2,00,000 Stock Options in accordance with the shareholders' approval w.r.t. modification of employee share benefit schemes which was exercised by him on 19.01.2021. In accordance with the definition of perquisites under the Income-tax Act, 1961, the remuneration includes the value of stock incentives only on those shares that have been exercised during the period. Accordingly, all the perquisites value arising out of stock options exercised during the year shall form a part of his remuneration. Further, 90,000 options are also granted to Mr. Mehra by Nomination and Remuneration Committee on 30.06.2020 in lieu of the earlier granted SARs in accordance with the shareholders' approval.

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 18-19	FY 19-20	FY 20-21
Total Income	58,391.01	51,159.65	46,332.60
Profit after Tax	5,193.02	4,899.27	10,701.79

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

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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 Roorkee.

2. Past remuneration:

₹ 5,19,23,009

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.

5. Remuneration proposed:

As mentioned in Item No. 5 of the Notice of 74th Annual General Meeting.

6. 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.

7. Pecuniary relationship directly or indirectly with the Company or relationship with managerial personnel or other Director, if any:

The Managing Director have no pecuniary relationship directly or indirectly with the Company except to the extent of their remuneration and shareholdings/ESOPs in the Company.

III. Other Information:

1. Reasons of loss or inadequate profits:

The proposed remuneration may not fall within the limits as specified in Companies Act, 2013. However, it is in line with the industry standards.

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;

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(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

Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI LODR Regulations") provides that no listed company shall appoint or continue the directorship of any person as Non-executive Director who has attained the age of 75 (Seventy Five) years, unless a Special Resolution is passed to that effect and justification thereof is disclosed in the explanatory statement annexed to the Notice for such appointment.

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.

Mr. Bhattacharya will attain the age of 75 years during FY 2021-22. In view of Regulation 17(1A) of the SEBI LODR Regulations, for the continuation of Mr. Bhattacharya as a Non-Executive Independent Director, consent of the Members would be required by way of a Special Resolution. It is in the interest of the Company to continue to avail his valuable expertise. The Board recommends the resolution for the approval of the Members. Except Mr. Bhattacharya, none of the Directors and Key Managerial Personnel of the Company and /or their relatives is deemed to be concerned or interested, financially or otherwise in the resolution.

Item No. 7

Mr. Noshir Framjee (DIN: 01646640) was appointed as a Non-Executive Independent Director of the Company by the members at the 70th Annual General Meeting of the Company held on July 28, 2017 for a period of five consecutive years with effect from June 12, 2017. 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, 2013 ("the Act") and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI LODR Regulations"), Mr. Noshir Framjee, 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 June 12, 2022. 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. Noshir Framjee 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

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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 June 12, 2022, for the approval by the shareholders of the Company. Except Mr. Noshir Framjee 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. 7 of the accompanying Notice of the Annual General Meeting. Mr. Noshir Framjee is not related to any Director of the Company.

Item No. 8

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, at its meeting held on March 23, 2021, approved the appointment of Ms. Suhana Murshed (DIN: 08572394) as an Additional Non-Executive Independent Woman Director of the Company with effect from March 23, 2021 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. Suhana Murshed 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. Suhana Murshed 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 March 23, 2021. Ms. Suhana Murshed 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. Suhana Murshed 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. Suhana Murshed as a Non-Executive Independent Woman Director for a term of five consecutive years with effect from March 23, 2021, for the approval by the shareholders of the Company. Except Ms. Suhana Murshed 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. 8 of the accompanying Notice of the Annual General Meeting. Ms. Suhana Murshed is not related to any Director of the Company.

Registered Office:
33, Jessore Road, Dum Dum Kolkata-700 028
CIN: L22213WB1946PLC014346

By Order of the Board

Dated: May 12, 2021
Place: Kolkata

Kamana Goenka
Company Secretary

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“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	Mrs. Avarna Jain	Ms. Suhana Murshed	Mr. Noshir Framjee
DIN	02106305	08572394	01646640
Date of Birth	02-10-1985	05-11-1982	20-11-1941
Date of first Appointment on the Board	May 29, 2018	March 23, 2021	June 12, 2017
Brief resume and expertise in Specific Functional Areas	Mrs. Avarna Jain holds professional qualification of Bachelor of Arts in communication from University of Pennsylvania and has hands on experience in business dealing with consumer preferences and high end innovative products.	Suhana is a Partner at Khaitan & Co and is based in Kolkata, West Bengal. Suhana has extensive work experience as a transactional lawyer. Her core expertise includes private equity investments, mergers and acquisitions, business transfers, joint ventures and foreign investments. She advises several multinational clients on their India entry strategies, inbound investments and foreign exchange laws. She also regularly advises on matters related to Corporate Governance, corporate laws and other allied commercial laws. Her work experience in M&A and private equity has spanned several sectors such as FMCG, retail, manufacturing, healthcare, information technology (IT) and IT enabled services, hospitality/facility management etc. Suhana also provides support to start-ups and advises early and mid-stage companies in their initial fund raising. Suhana is a regular speaker at various forums on topics on corporate and commercial laws. She has been recognized by IFLR 1000 (an independent research firm which provides annual rankings on the world's leading corporate and financial lawyers) as a 'Notable Practitioner' for two consecutive years i.e., 2021 and 2020.	Mr. Framjee joined CESC Ltd., (then The Calcutta Electric Supply Corpn. Ltd.) in 1964 as a Distribution Engineer. He subsequently moved through several Departments of CESC Ltd. before being appointed as Executive Director (Admn) in 1993. He served in this post till his retirement in April 2005. He then joined as Advisor, Future Institute of Engineering and Management & Future Business School, Kolkata and was a Member, Board of Directors, between June 2005 to December 2008. He was Chairman, Incotech Engineers Pvt. Ltd. (2008 to 2012) and a Director, Wellman & Wacoma Ltd. (2007 to 2012). Mr. Framjee has been a member, both at national & local level committees, of several all India Chambers of Commerce & Industry. He was President, Calcutta Management Association 2003-2004.
Qualifications	Mrs. Avarna Jain holds professional qualification of Bachelor of Arts in communication from University of Pennsylvania	Suhana is affiliated with the Bar Council of Maharashtra and Goa. She obtained her LL.M degree from King's College London in 2008. She completed her B.L.S. LL.B degree from the Government Law College, Mumbai. She has been an academic rank holder in the University of Mumbai during her LL.B program and an academic rank holder in the State of Maharashtra prior to that.	Mr. Framjee graduated in Electrical Engineering, from Banaras Hindu University and has completed General Management Course for Senior Management, ASCI, Hyderabad and also Advance Course in IR&HR, ASCI, Hyderabad.

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Name of the Director	Mrs. Avarna Jain	Ms. Suhana Murshed	Mr. Noshir Framjee												
Directorship held in other public companies (excluding foreign and private companies, but includes directorship held in private companies which are subsidiaries of public companies)	Grand Royale Enterprises Limited Spencer International Hotels Limited	STEL Holdings Limited	<ul style="list-style-type: none"> Apricot Foods Private Limited Crescent Power Limited Haldia Energy Limited Integrated Coal Mining Ltd 												
Membership / Chairmanship of committees of other Public Limited Companies [other than Saregama India Limited] (Audit Committee and Stakeholder's Relationship Committee only)	Nil	STEL Holdings Limited – Stakeholders' Relationship Committee	<table border="1"> <thead> <tr> <th>Name of the Company</th> <th>Name of the Committee</th> <th>Position in Committee</th> </tr> </thead> <tbody> <tr> <td>Integrated Coal Mining Ltd</td> <td>Audit Committee</td> <td>Member</td> </tr> <tr> <td>Apricot Foods Private Limited</td> <td>Audit Committee</td> <td>Chairman</td> </tr> <tr> <td>Crescent Power Limited</td> <td>Audit Committee</td> <td>Member</td> </tr> </tbody> </table>	Name of the Company	Name of the Committee	Position in Committee	Integrated Coal Mining Ltd	Audit Committee	Member	Apricot Foods Private Limited	Audit Committee	Chairman	Crescent Power Limited	Audit Committee	Member
Name of the Company	Name of the Committee	Position in Committee													
Integrated Coal Mining Ltd	Audit Committee	Member													
Apricot Foods Private Limited	Audit Committee	Chairman													
Crescent Power Limited	Audit Committee	Member													
Disclosure of relationships between directors inter-se and Manager and other Key Managerial Personnel of the Company	Mrs. Avarna Jain is related to Dr. Sanjiv Goenka and Mrs. Preeti Goenka, Non-Executive Directors of the Company.	Nil	Nil												
Terms and conditions of appointment or re-appointment	Mrs. Avarna Jain is liable to retire by rotation and being eligible has offered herself for re-appointment	Ms. Suhana Murshed will be appointed as a Non- Executive Independent Woman Director of the Company	Mr. Noshir Framjee 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 may be paid as approved by the members	Past remuneration: Nil Proposed remuneration: Sitting fees and Profit related Commission may be paid as approved by the members	Past remuneration: Nil except sitting fees Proposed remuneration: Sitting fees and Profit related Commission may be paid as approved by the members												
No. of shares held in the company as on the date of notice	Nil	Nil	Nil												
Number of Board meetings attended during the year	5	N.A.	5												
Performance evaluation done or not	Yes	N.A.	Yes												



Saregama India Limited

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