

SAREGAMA INDIA LIMITED

MUSIC • FILMS • TELEVISION CONTENT

ANNUAL REPORT 2017-18



CORPORATE INFORMATION

BOARD >>>>> OF DIRECTORS

Mr. Sanjiv Goenka (DIN: 00074796)	Chairman (Non-Executive)
Mrs. Preeti Goenka (DIN: 05199069)	Non-Executive Director
Mrs. Sushila Goenka (DIN: 00087692)	Non-Executive Director
Mrs. Avarna Jain (DIN: 02106305)	Non-Executive Director (w.e.f. May 29, 2018)
Mr. Umang Kanoria (DIN: 00081108)	Non-Executive Independent Director
Mr. Bhaskar Raychaudhuri (DIN: 00277913)	Non – Executive Independent Director
Mr. Santanu Bhattacharya (DIN: 01794958)	Non-Executive Independent Director
Mr. Arindam Sarkar (DIN: 06938957)	Non-Executive Independent Director
Mr. Noshir Naval Framjee (DIN: 01646640)	Non-Executive Independent Director
Mr. Vikram Mehra (DIN: 03556680)	Managing Director
Mr. Ghanashyam Bhagwan Aayeer (DIN: 00087760)	Whole-Time Director and CFO (upto May 28, 2018)

Chief Financial Officer (w.e.f. May 29, 2018)
Mr. Vineet Garg

Company Secretary (w.e.f. August 4, 2017)
Ms. Kamana Khetan

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

Internal Auditor
Ernst and Young LLP

Secretarial Auditor
MR & Associates

Legal Advisor
Khaitan & Company

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

Bankers
United Bank of India
State Bank of India
ICICI Bank Limited

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

CIN : L22213WB1946PLC014346

Website : www.saregama.com

Regional Offices

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Phone : (033) 6550 2113
Fax No. : (033) 2212 8911
- 2nd Floor, Spencer Building, 30, Forjett Street,
Grant Road (W), Mumbai - 400 036
Phone : (022) 6688 6200
- A-62, 1st Floor, FIEE Complex, Okhla Industrial Area,
Phase - II, New Delhi - 110 020
Phone : (011) 4051 9759
- Door No. 2, 3, 4 & 5, 3rd Floor, Kasi Arcade,
No. 116, Thyagaraya Road, T. Nagar, Chennai - 600017
Phone : 044 -28151669 / 28151670 / 28151672 / 28151675



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REPORT OF THE DIRECTORS'

**WITH MANAGEMENT DISCUSSION
AND ANALYSIS**

MANAGEMENT DISCUSSION & ANALYSIS

This Report includes MD & A as appropriate so that duplication and overlap between Directors' Report and a separate MD & A is avoided and the entire information is provided in a composite and comprehensive manner.

INDUSTRY DEVELOPMENTS

- Global music industry grew 3rd year in a row with 8.1% growth in 2017
- Streaming is the global growth catalyst with 3rd year of over 40% growth
- Indian music industry is also on an upswing. 2017 witnessed the biggest growth in a decade. E&Y FICCI report projects it to grow at 18.6% over the next 3 years
- Indian music growth is triggered by rising smartphone penetration (350M) and falling data costs (₹ 5/GB)
- Same factors are slowly triggering the growth of online video consumption



COMPANY STRATEGY >>>>>>>

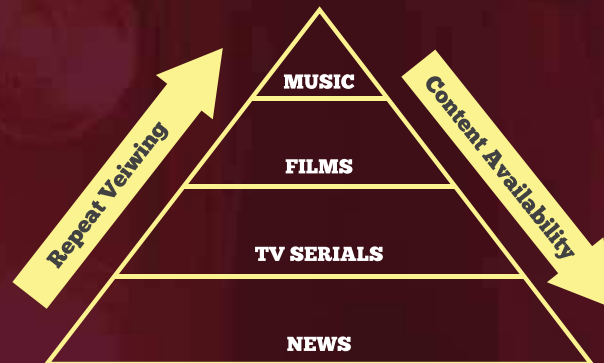
MONETISE EXISTING IP BETTER, BUILD IP FOR TOMORROW

1 GREATER MONETISATION OF EXISTING IP (1.2 Lac owned songs & 4100 hrs of Tamil Serials)

- Through greater presence on all 3rd party digital and TV platforms
- Launch of Saregama branded physical products with embedded music

2 BUILDING OF NEW IP

- Through new film music acquisition across Hindi, Tamil and Marathi languages
- TV programs in Tamil language
- Low budget thematic films targeted at youth with primary exposure on digital platforms



Saregama's Focus : Music & Films

IP MONETISATION

PHYSICAL B2C >>>>>>

The production and distribution of CDs has rapidly dwindled and has created a need gap in the market which Saregama is rapidly fulfilling. The company's research confirmed that people over the age of 40 prefer retro music but want a hassle-free and lean back listening experience along with a technologically agnostic convenient way to consume music. To tap this unfulfilled demand, in 2017, Saregama introduced an innovative Bluetooth speaker based digital audio player under the brand name Carvaan; which took the market by storm immediately on its launch. It is a personal music player with 5000 pre-loaded songs and other features like USB, FM and

Bluetooth. It is affordably priced at ₹ 5990/- and ₹ 6390/- basis the colour variants (available in 6 colours). The company supplemented Carvaan with another product, Carvaan Mini in a lower price range with 251 embedded songs. The company sold 387,000 units of both these products even before the advertising in mass media started. To support sales of Carvaan and its variants, a pan India dealer network has been established. As of end of 2017, over 9800 outlets have billed at least one unit. Looking at the interest for Carvaan from international diaspora, the product has also been launched in USA, UK and Canada. The product has been also extended to cover regional markets with the launch of Marathi, Tamil & Bengali versions.



The market sizing for Carvaan has been defined as Homes in India that satisfy the all the below criteria:

- Have atleast one person above the age of 40
- Can afford buying the product
- Speak the language in which Saregama has music catalogue strength

Our analysis puts the market size to 25M. Company's target is to reach a large majority of these homes in the next 5 years. To enable the same, we plan to launch multiple Carvaan variants (languages and price points). Carvaan will always remain proprietary to Saregama without any real threat of competition as nobody else has rights to offer retro Indian music in the physical format.

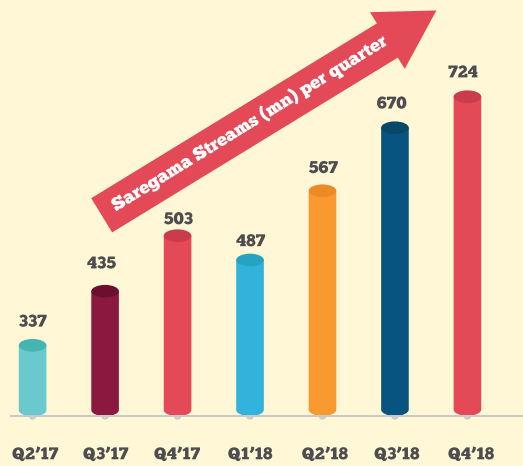




IP MONETISATION DIGITAL >>>>>>

As per the E&Y-FICCI - Indian Media and Entertainment Industry Report 2018, alongwith digital sale of music of about 65% in 2017, India has now overtaken the US to become the world's second-largest smartphone market after China. Falling data rates led by cheap packs introduced by the telecom companies and smart phone population going up, has attracted all major streaming players like Google, Apple, Amazon, etc. to India. Other major players like Spotify are also putting their act together for entering India. This bodes well for the large audio content owners like Saregama. Riding on the popularity of its evergreen catalogue, the OTT streams for company's content grew by 40 % last year and is expected to grow further with consumers increasingly preferring such OTT platforms to pirated sites.

OTT players like Amazon are bundling their music service with other services of their platform like delivery and video to attract new subscribers. Telecom OTT Stores like WYNK, JIO Music and Idea Music are growing their consumer base by offering their music services with bundled tariff plans to promote and increase data usage.



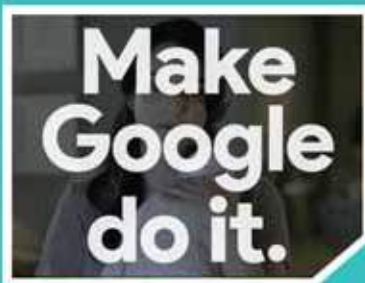
Saregama signed a deal with Apple Music and Amazon Prime during the year for its content to be available on their platforms.

Industry-wide the demand for music products like CRBT, WAP, IVR, etc. offered through Telecom sector is dropping due to changing consumer behaviour. The company has taken conscious decision of exiting non-core WAP vertical of business.



The company's evergreen catalogue remains the preferred content to be used in brand advertisements and general entertainment programmes on television networks. Saregama continues to tap the long tail of large number of television channels spread across India. With authors' royalty collection organization getting copyright registration, newer sources

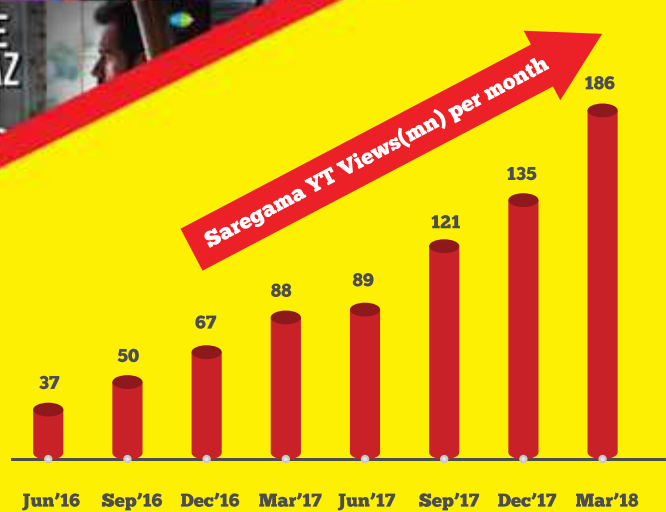
of publishing revenues are getting opened up in line with the similar organization operating internationally in the developed countries. The year 2017 - 18 has been another year in row where the music publishing business of the company grew rapidly and is expected to keep momentum in coming year.



We expect this momentum to continue on the back of domestic TV channels, newer digital platforms, increase in number of radio stations and improving efficiency of copyright societies namely IPRS and PPL.

IP MONETISATION YOUTUBE >>>>

YT views have grown five fold in less than two years. This is not only a source of advertising revenue for us, but also acts as a marketing tool for our music & Carvaan.



IP CREATION TV >>>>>> SOFTWARE



South TV >>>>

The business continues its leadership in Tamil (Sun Network) channels in terms of the number of hours of weekly production. Due to demonetisation and subsequent GST introduction, this business faced some headwinds in early part of the year, but could stabilize later with

commencement of a new daily programme. Sun TV is planning to launch a second GEC channel called SUN LIFE; which would provide opportunity to content makers like Saregama to get more slots in this new channel.



CHANDRALEKHA
1118 Episodes



VALLI
1585 Episodes

National TV >>>>

With the insistence of all major national Hindi channels to retain IP of the programmes, the content producers are reduced to merely the job workers earning slim margins without escaping losses for the cost overruns. The business of Hindi TV serials being out of sync with the company's strategic objective of remaining only in IP owned businesses, the company has progressively exited from the business of Hindi TV programming.



IP CREATION FILM >>>>>> BUSINESS

This year was favorable for 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 OTT platforms. To gain a foothold in India's highly competitive OTT segment, there is 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. India being the second largest smartphone market in the world, and more than half the country is expected to have access to affordable broadband by 2020. This could result in over 500 MN online video consumers. Digital micro-payments ecosystem both across urban and rural markets is also supporting this video consumption trend.



This macro development in entertainment space has encouraged content makers like Saregama to launch into promising business of Digital Films under the sub-brand, Yoodlee Films. The company now produces thematic films in multiple languages with tightly controlled budgets; targeted at 18-35 years segment where the story and not the star cast remains the hero. The company follows unique business model of hedging the risk by keeping upfront talent cost low by offering assured profit sharing.

The explosion in data consumption is resulting in growing demand for 'exclusive' content from all OTT players and TV channels mainly targeted at 18-30 yrs segment. The company will tap this latent demand by providing greater focus on U/A and U films. While some films will be released in theatre, others will go straight to digital platforms. The company will place focus on building catalogue by following conservative accounting policy of charging off cost of the film fully in the year of the release. Creation of video IP will be more and more valuable in times to come with platforms chasing original and exclusive content to build loyal consumer base. The tightly controlled costs of the film will

reduce the downside of films keeping high upside open. With the films getting released consistently, Yoodlee Films as brand will be seen as a serious player which will help to encash catalog value; opening possibility of leveraging stronger films to create revenue for weaker films. The consistent visibility in the international film festivals will help to exploit the films with the international buyers on better revenue terms.

During the year, the company released 3 films with tight shooting schedule of 18-21 days. Digital rights licensing deal for first two films have been signed with a leading international OTT player. Adding music to the films is a way of leveraging the competencies of Saregama as a music label. The company's ability to get better composers and singers allows it to make music a more integral part of the film.



IP CREATION NEW >>>>> FILM MUSIC



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

of this acquisition process, we have added audio & video rights of 46 new film songs during the year, for global territory and in perpetuity. The monetisation of these songs started immediately through streaming platforms, Youtube, CRBT on telecom platforms and music video licensing.



IP CREATION Publication Business >>>>>>

The focus of 'Open Magazine' continues to target the top strata of the society as the market is evolving with top notch brands wanting to reach out to such high intellectual readers; providing strong opportunity for the business.



Risks >>>>>>

Piracy

M&E sector is plagued by a serious piracy problem. As per E & Y - FICCI - Indian Media and Entertainment Industry Report 2018, Film sub-sector alone, annually loses US\$2.8 billion of its total revenue to piracy. Film collections from theatres are threatened by a rise in illegal digital downloads by consumers and easy availability of inexpensive rental options. Digital media sub-sector in India has not been able to fully monetize their content due to rampant piracy in India. Revenues from both our music and films business can get adversely affected by piracy

Data Cost going up

B2B revenues from Music are largely dependent on the growth of streaming industry, which may get affected if data costs start going up because of the impending consolidation in the Telecom industry.

Subscription model not taking off for OTT business

The long term growth of both our music and films business is dependent on the financial success of OTT platforms, which in the long run are dependent on consumer subscription model taking off.

Regulatory

Implementation of new regime pursuant to new copyright law is

taking some more time as many large users still are unclear about their obligation under new law. This is creating difficulties for various stakeholders to decide their business strategies.

Cost of New Content going up

The company operates in a highly competitive environment with multiple players trying to acquire new film music. This may result in the cost of content acquisition going up in the short run.

Publication business

Publication magazine business needs to handle the challenge of building up volumes and increasing ad rates in the highly competitive environment.

Internal Control System and Adequacy >>>>>

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested and certified by Statutory as well as Internal Auditors and cover key business areas. Significant audit observations and follow up actions thereon are reported to the Audit Committee of Directors. The Audit Committee reviews 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.

Human Resources >>>>>

Our Company's human resource management systems and processes aim to create a responsive, market - focused, customer - centric culture and enhance organizational vitality, so that each business is internationally competitive and equipped to seize emerging market opportunities. The Company regularly conducts employee engagement surveys with the help of external consultants, and follows it up with corrective actions, if any. The Company has seen a significant improvement in the employee morale over the last 3 years.

As on March 31, 2018, our Company has 230 employees.

3-YEAR >>>>> OUTLOOK

The company will continue monetizing its existing IP Better by riding on the growing streaming phenomenon, popularity of digital music videos and by extending the initial success of Carvaan by launching it across markets and price segments. The company is also exploring additional monetisation opportunities around Caravan, both

on one-time as well as recurring basis. It is also open to extending the platform of Carvaan to 3rd party content providers.

This will be combined with the new focus on creating fresh IP namely in film music, TV series, films and events space with the objective of making our content library relevant even a few decades down the line.

REPORT OF THE DIRECTORS' WITH MANAGEMENT DISCUSSION AND ANALYSIS

DIRECTORS REPORT

Your Directors are pleased to present the Seventy First Annual Report of Saregama India Limited along with the audited accounts for the year ended 31st March, 2018.

1. FINANCIAL SUMMARY

The performance of your Company for the year ended 31st March, 2018 is summarized below:

Particulars	(₹ in Lakhs)			
	Consolidated	Standalone	Consolidated	Standalone
	Year ended 31st March, 2018		Year ended 31st March, 2017	
Total income	36,677.86	35,982.51	23,177.60	22,401.38
Profit/(Loss) from operations	3,892.39	4,111.64	1,593.45	1,729.95
Exceptional item	Nil	Nil	Nil	Nil
Provision for Contingencies	Nil	Nil	Nil	Nil
Profit before tax	3,892.39	4,111.64	1,593.45	1,729.95
Tax Expense				
Deferred Tax Charged / (Credit)	80.66	80.66	(106.38)	(106.38)
Current tax	981.56	980.25	1,022.56	1,023.73
Excess Provision of Earlier Years Written Back	Nil	Nil	(187.60)	(187.60)
Net profit (after tax and exceptional items)	2,830.17	3,050.73	864.87	1,000.20
Proposed Dividend (including tax thereon)	629.67	629.67	314.18	314.18
Transfer to general reserve	Nil	Nil	Nil	Nil
Reserves (excluding revaluation reserves, OCI and FCTR)	16,272.38	18,129.99	13,706.94	15,366.83

Your Board is pleased to report a profit of ₹ 3,050.73 lakhs on a standalone basis for the year 2017-18.

2. DIVIDEND

Your Board is pleased to recommend a dividend of ₹ 3.00/- per equity share of ₹10/- each for the year ended 31st March, 2018 subject to the approval of shareholders at the ensuing Annual General meeting.

3. SHARE CAPITAL

At the beginning of the financial year the issued and paid up share capital of the Company was ₹ 17,40,29,380 divided into 1,74,02,938 equity shares of ₹ 10/- each. During the year under review, 7,554 equity shares were allotted to an employee under the Saregama Employees Stock Option Scheme 2013. Consequent to the aforesaid allotment, the paid-up equity share capital of the Company has increased from ₹17,40,29,380 to ₹ 17,41,04,920.

4. SUMMARY OF OPERATIONS/BUSINESS OVERVIEW

This forms part of the Management Discussion and Analysis Report forming part of Annual Report.

5. 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 Directors and Senior Management act as trustees in the interest of all stakeholders of the Company by balancing conflicting interest, if any, between stakeholders for optimal benefits.

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 stipulated as per relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as referred to in Regulation 15(2) forms part of the Annual Report.

A certificate of practicing company secretary regarding compliance of the Corporate Governance requirements as per relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as referred to in Regulation 15(2) for the year ended 31st March, 2018 forms part of the Annual Report. Further, information about all elements of remuneration package etc. of individual directors forms part of the Annual Report.



REPORT OF THE DIRECTORS (contd.)

6. PREVENTION OF SEXUAL HARASSMENT

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. An Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment at workplace. During the year under review, Company has not received any complaints on sexual harassment.

7. PUBLIC DEPOSITS

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.

8. EXTRACT OF ANNUAL RETURN

The Extract of Annual Return in Form MGT-9 pursuant to Section 92(3) of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014 is annexed as "ANNEXURE-A" to this Report.

9. CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company and its subsidiaries have been prepared in accordance with the provisions of the Act read with the Companies (Accounts) Rules, 2014, applicable Accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 is attached to the Financial Statements for the F.Y. 2017-18 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. These financial statements will also be kept open for inspection by any Member at the Registered Office of the Company.

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

10. SUBSIDIARY COMPANIES, JOINT VENTURE AND ASSOCIATE COMPANIES:

During the year under review, details of Companies/entities which have become or ceased as subsidiary Company, associates and joint ventures, are as under:

Company which have become subsidiary company:

Saregama Inc, USA - Wholly Owned Subsidiary of Saregama Plc. Saregama Plc, subsidiary of the Company has acquired 100% share capital of Saregama Inc. comprising of 1 ordinary share of \$1.

11. DIRECTORS

As per the relevant provisions of Companies Act, 2013 and SEBI (LODR) Regulations, 2015, during the period under review, the following changes took place in the office of Directors of the Company:

As per the approval of shareholders accorded at the Annual General Meeting held on 28th July, 2017 Mr. Noshir Naval Framjee (DIN: 01646640) was appointed as an Independent Director of the Company with effect from June 12, 2017 for a period of 5 years.

At the ensuing Annual General Meeting, Mr. Vikram Mehra (DIN: 03556680), Managing Director of the Company is liable to retire by rotation in accordance with the provisions of Companies Act, 2013 and being eligible, offers himself for re-appointment as a Director of the Company.

The first term of office of Mr. Bhaskar Raychaudhuri as an Independent Director expires on March 31, 2019. The Board has recommended re-appointment of Mr. Bhaskar Raychaudhuri as an Independent Director for a second term of 5 years subject to the approval of shareholders at the ensuing Annual General Meeting of the Company.

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 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. In view of the above, it is proposed to obtain shareholders' approval at the ensuing Annual General Meeting for continuing the Directorship of Mrs. Sushila Goenka, Mr. Noshir Naval Framjee and Mr. Bhaskar Raychaudhuri who are above 75 years of age as on the date of this report.

12. KEY MANAGERIAL PERSONNEL

During the year under review, Ms. Kamana Khetan was appointed as the Company Secretary and Compliance Officer with effect from August 4, 2017 in place of Mr. Tony Paul.



REPORT OF THE DIRECTORS (contd.)

13. BOARD EVALUATION

Pursuant to the provisions of the Act and the corporate governance requirements as prescribed by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors (“Board”) has carried out an annual evaluation of its own 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 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.

14. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

Pursuant to 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.

http://r.saregama.com/resources/pdf/investor/familiarization_programme_for_independent_director.pdf

15. NOMINATION AND REMUNERATION POLICY

The Company has in place a Remuneration Policy for the Directors, Key Managerial Personnel, Senior Management and other Employees pursuant to the provisions of the Act and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Nomination and Remuneration policy forms a part of this report and is annexed as “ANNEXURE-B”.

16. BOARD MEETINGS

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

Currently the Board has Five (5) committees, namely, Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility (“CSR”) Committee, Stakeholders’ Relationship Committee and Committee of Directors.

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

17. AUDIT COMMITTEE

The Audit Committee as on the date of signing this report comprises of following members:

Name of the Member	Position	Category of Director
Mr. Umang Kanoria	Chairman*	Non-executive Independent Director
Mr. Bhaskar Raychaudhuri	Member	Non-executive Independent Director
Mr. Santanu Bhattacharya	Member	Non-executive Independent Director

*Appointed as Chairman of the Committee w.e.f. May 11, 2018.

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

18. 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 behavior, 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 has been denied access to the Audit Committee. The Policy of vigil mechanism is available on the Company’s website (Weblink: http://r.saregama.com/resources/pdf/investor/whistle_blower_policy.pdf)

19. PARTICULARS OF EMPLOYEES

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



REPORT OF THE DIRECTORS (contd.)

20. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The brief outline of the CSR Policy of the Company alongwith the Annual Report on CSR activities is set out in “ANNEXURE D” of this report. The policy is available on the Company’s website.

(Weblink: http://t.saregama.com/resources/pdf/investor/csr_policy.pdf)

21. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The particulars of Loans given, Investments made, Guarantees given and Securities provided during the period under Section 186 of the Act are stated in the Notes to Accounts which forms part of this Annual Report.

22. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All contracts/arrangements/transactions entered by the Company with the Related Parties during the financial period were on an Arm’s length basis and were in compliance with the applicable provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There were no materially significant transactions entered into by your Company during the year and hence no information is required to be provided under Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014.

23. MATERIAL CHANGES AND COMMITMENT AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There were no material changes and commitments affecting the financial position of the Company which have occurred between the end of financial year of the Company to which the Financial Statements relate and the date of this Report.

24. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

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.

25. RISK MANAGEMENT

The Company is exposed to inherent uncertainties owing to the sector 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 processes 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 with 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.

26. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Audit Committee reviews 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.

27. 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) 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 has been appointed as Secretarial Auditor, to undertake Secretarial Audit of the Company for the financial year 2017-18. The report of the Secretarial Auditor is annexed to this report as “ANNEXURE E”. The Secretarial Audit Report does not contain any qualification/reservation/adverse remark or disclaimer.

C) INTERNAL AUDITORS

M/s Ernst and Young have been appointed as Internal Auditors for F. Y. 2017-18.

28. DIRECTORS’ RESPONSIBILITY STATEMENT

The Board of Directors acknowledge the responsibility for ensuring compliances with the provisions of Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013 in the preparation of the annual accounts for the year ended on March 31, 2018 and to the best of their knowledge and ability, confirm that:



REPORT OF THE DIRECTORS (contd.)

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed alongwith 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 the March 31, 2018 and of the profit and loss of the Company for that year on that date;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis;
- 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.

29. INDEPENDENT DIRECTORS DECLARATION

The Company has received the necessary declaration from Independent Directors that they meet the criteria of independence as provided in Section 149 of the Companies Act.

30. REPORTING OF FRAUD BY AUDITORS

There are no instances of fraud reported by the Auditors during F. Y. 2017-18.

31. CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

Pursuant to the requirement of Section 134(3)(m) of the Companies Act, 2013 read with rule 8(3) of the Companies (Accounts) Rules, 2014, the relevant data pertaining to the Conservation of Energy and Technology Absorption is given below:

A) CONSERVATION OF ENERGY

- i) **The steps taken to or impact on conservation of energy** - Although the Company is not engaged in manufacturing activities. However, as a responsible corporate citizen, we continue to pursue and adopt appropriate energy conservation measures.
- ii) **The Steps taken by the Company for utilizing alternate sources of energy** - Not applicable.
- iii) **The capital investment on energy conservation equipment's** - The Company constantly evaluates new developments and invests into latest energy efficient technology.

A) TECHNOLOGY ABSORPTION

- i) **The efforts made towards technology absorption** - The Company adopts the latest trends in the technology development and introduces the same so as to ensure reduction in cost with best quality output.
- ii) **The benefits derived like product improvement, cost reduction, Product development or import substitution** - Not applicable.

B) IMPORTED TECHNOLOGY

- i) **The details of technology imported** - Not Applicable.
- ii) **The year of import** - Not applicable.
- iii) **Whether the technology has been fully absorbed** - Not applicable.
- iv) **If not fully absorbed** - Not applicable.

Expenditure incurred on Research and Development (R&D):

Your Company is predominantly a service provider and therefore has not set up a formal R&D unit, however continuous research and development is carried out at various development centers as an integral part of the activities of the Company.



REPORT OF THE DIRECTORS (contd.)

C) 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.

(₹ in Lakhs)

	Current Year	Previous Year
Foreign Exchange used	9793.42	512.83
Foreign Exchange earned	6026.31	4793.32

32. EMPLOYEES STOCK OPTION SCHEME

The Members of the Company, at its Annual General Meeting held on 26th July, 2013, approved the implementation of Saregama Employees Stock Option Scheme - 2013. Your Company is desirous to extend the said benefits also to employees (including directors whether whole time directors or not) of the subsidiary companies.

Your Company has further formulated the Saregama Stock Appreciation Rights Scheme - 2014 for benefit of its employees as per applicable regulations of Securities and Exchange Board of India as amended from time to time.

The Nomination and Remuneration Committee and the Board of Directors at its meeting held on May 11, 2018 has proposed to modify the existing Saregama Employees Stock Option Scheme – 2013 by amending the vesting period clause and providing the flexibility to employees to exercise their options anytime during the year as compared to the existing clause of exercising the options only twice a year i.e. June 30 and December 31 subject to the approval of shareholders at the ensuing Annual General Meeting.

The Nomination and Remuneration Committee and the Board of Directors at its meeting held on May 11, 2018 proposed to implement a new Saregama Stock Appreciation Rights Scheme - 2018 for benefit of its employees as per applicable regulations of Securities and Exchange Board of India as amended from time to time subject to the approval of shareholders at the ensuing Annual General Meeting.

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

A certificate from M/s BSR & Co. LLP, Chartered Accountants, Statutory Auditors, with respect to the implementation of ESOP 2013 would be placed before the members at the ensuing AGM and a copy of the same shall be available for inspection at the Registered Office of the Company.

33. RIGHTS ISSUE

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 (31.03.2017 - 5,290) equity shares (relating to cases under litigation / pending clearance from concerned authorities) are in abeyance as on 31st March, 2018.

34. ACKNOWLEDGEMENT

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

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Vikram Mehra
Managing Director
DIN: 03556680

G.B. Aayeer
CFO and Whole-time Director
DIN: 00087760

Date: May 11, 2018
Place: Kolkata


REPORT OF THE DIRECTORS (contd.)

“ANNEXURE – A”
Annexure to Directors report
FORM NO. MGT 9 - EXTRACT OF ANNUAL RETURN

As on financial year ended on March 31, 2018

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

I. REGISTRATION & OTHER DETAILS

1.	CIN	L22213WB1946PLC014346
2.	Registration Date	13.8.1946
3.	Name of the Company	Saregama India Limited
4.	Category/Sub-category of the Company	Public Company/ Limited by shares
5.	Address of the Registered office and contact details	33, Jessore Road, Dum Dum, Kolkata-700028; Telephone: (033) 2551 2984/4773 E-mail : co.sec@saregama.com Website: www.saregama.com
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	MCS Share Transfer Agent Limited Registrar and Transfer Agent, 12/1/5, Manoharpukur Road, Ground Floor, Kolkata-700 026 Telephone: (033) 4072 4051 - 4053; Fax : (033) 4072 4050 E-mail : mcssta@rediffmail.com

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

S. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Sale of Products (Carvaan, Mini Carvaan, Music Cards, etc)	474	42.33%
2	Income from Television Serials (Including Free Commercial Time)	591	14.28%
3	Licence Fees	592	42.34%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
1.	Composure Services Private Limited Duncan House 31, Netaji Subhas Road Kolkata - 700001	U72900WB2017PTC219824	Holding	59.11	2(46)
2.	Saregama Plc Unit 14 Europa Studios Victoria Road London NW10 6ND, UK	N.A.	Subsidiary	76.41	2(87)
3.	RPG Global Music Limited 4th Floor, Barkly Wharf East Le Caudan Water Front Port-Louis Mauritius	N.A.	Subsidiary	100	2(87)
4.	Kolkata Metro Networks Limited 33, Jessore Road Dum Dum, Kolkata - 700028	U23209WB1989PLC047337	Subsidiary	100	2(87)
5.	Open Media Network Private Limited 33, Jessore Road Dum Dum, Kolkata - 700028	U22100WB2008PTC124295	Subsidiary	100	2(87)
6.	Saregama Inc. 200 Continental Drive Suite 401 Newark, DE 19713 USA	N.A.	Subsidiary	76.41*	2(87)

* Saregama Plc is holding 100% in Saregama Inc.

REPORT OF THE DIRECTORS (contd.)
IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
A) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on April 1, 2017]				No. of Shares held at the end of the year [As on March 31, 2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	0	0	0	0.00	0	0	0	0.00	0.00
b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt.(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	10291759	0	10291759	59.14	10291759	0	10291759	59.11	-0.03
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any other	0	0	0	0.00	0	0	0	0.00	0.00
Total shareholding of Promoter (A)	10291759	0	10291759	59.14	10291759	0	10291759	59.11	-0.03*
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	464	464	0.00	128368	464	128832	0.74	0.74
b) Banks / FI	14331	1138	15469	0.09	3895	1138	5033	0.03	-0.06
c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt.(s)	0	26	26	0.00	0	26	26	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	1798	1798	0.01	0	1798	1798	0.01	0.00
g) FIIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)									
Foreign Portfolio investor	0	0	0	0.00	162063	0	162063	0.93	0.93
Sub-total (B)(1):-	14331	3426	17757	0.10	294326	3426	297752	1.71	1.61
2. Non-Institutions									
a) Bodies Corp.:									
i.) Indian	3952614	4455	3957069	22.74	2528825	3709	2532534	14.55	-8.19
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
iii) NBFCs registered with RBI	0	0	0	0.00	5000	0	5000	0.03	0.03
b) Individuals:									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	1759777	152710	1912487	10.99	2514524	148369	2662893	15.29	4.30
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1118508	0	1118508	6.43	1350469	0	1350469	7.76	1.33
c) Others (specify):									
Non Resident Indians	100019	4916	104935	0.60	265038	4836	269874	1.55	0.95
Non Resident Indians (Non-repatriable)	0	0	0	0.00	0	0	0	0.00	0.00
Foreign Nationals	0	0	0	0.00	0	0	0	0.00	0.00
Foreign Company	0	0	0	0.00	0	0	0	0.00	0.00
Clearing Members	0	0	0	0.00	0	0	0	0.00	0.00
Trusts	423	0	423	0.00	211	0	211	0.00	0.00
Hindu Undivided Family	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(2):-	6931341	162081	7093422	40.76	6664067	156914	6820981	39.18	-1.58
Total Public Shareholding (B)=(B)(1)+(B)(2)	6945672	165507	7111179	40.86	6958393	160340	7118733	40.89	0.03
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	17237431	165507	17402938	100.00	17250152	160340	17410492	100.00	0.00

* There is no change in Promoters' shareholding. However, change in percentage of Promoters' shareholding is due to increase in share capital of the Company during 2017-18.

REPORT OF THE DIRECTORS (contd.)
B) Shareholding of Promoter-

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year i.e. April 1, 2017			Shareholding at the end of the year i.e. March 31, 2018			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Composure Services Pvt. Ltd	1,02,91,599	59.14	0.00	1,02,91,599	59.11	0.00	-0.03*
2.	STEL Holdings Ltd.	160	0.00	0.00	160	0.00	0.00	0.00

* There is no change in Promoters' shareholding. However, change in percentage of Promoters' shareholding is due to increase in share capital of the Company during 2017-18.

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

Sr. No.	Particulars	Shareholding at the beginning of the year (as on April 1, 2017)		Transactions during the year		Cumulative Shareholding during the year (as on March 31, 2018)		
		No. of shares	% of total shares of the company	Date	Increase/Decrease	No. of shares	% of total shares of the company	
1.		Nil						

D) Shareholding Pattern of top ten Shareholders:

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

Date wise movement in shareholding of the top ten shareholders - 2017-18										
Sr. No	Name of Shareholder	Shareholding at beginning of the year		Date wise increase/decrease in shareholding during the year			Cumulative shareholding during the year		No. of shares at the end of the year	
		No. of shares held on April 1, 2017	% of total shares of the company	Date	Purchased	Sold	No. of share	% of total shares of the company	No. of shares as on 31.03.2018	% of total share of the company
1	BNK Capital Markets Limited	810720	4.66	21.04.2017	1000	0	811720	4.66		
				11.08.2017	1000	0	812720	4.67		
				24.11.2017	500	0	813220	4.67	813220	4.67
2	Jayshree Nirman Ltd.	516981	2.97	NIL	NIL	NIL	516981	2.97	516981	2.97
3	Antique Stock Broking Limited*	0	0	04.08.2017	23000		23000	0.13		
				15.09.2017	27000		50000	0.29		
				22.09.2017	0	50000	0	0.00		
				06.10.2017	50000		50000	0.29		
				27.10.2017	10000		60000	0.34		
				03.11.2017	50000		110000	0.63		
4	Ashish Goel*	0	0	19.01.2018	58200		168200	0.97	168200	0.97
				23.06.2017	10448	0	10448	0.06		
				30.06.2017	1500	0	11948	0.07		
				14.07.2017	29307	0	41255	0.24		
				21.07.2017	26307	0	67562	0.39		
				28.07.2017	24386	0	91948	0.53		
5	Chandra Singh Lodha*	0	0	04.08.2017	23000	0	114948	0.66		
				18.08.2017	3500	0	118448	0.68	118448	0.68
				30.06.2017	41820	0	41820	0.24		
				07.07.2017	24624	0	66444	0.38		
				14.07.2017	8000	0	74444	0.43		
				28.07.2017	13000	0	87444	0.50		


REPORT OF THE DIRECTORS (contd.)

Date wise movement in shareholding of the top ten shareholders - 2017-18										
Sr. No	Name of Shareholder	Shareholding at beginning of the year		Date wise increase/decrease in shareholding during the year			Cumulative shareholding during the year		No. of shares at the end of the year	
		No. of shares held on April 1, 2017	% of total shares of the company	Date	Purchased	Sold	No. of share	% of total shares of the company	No. of shares as on 31.03.2018	% of total share of the company
				04.08.2017	1000	0	88444	0.51		
				18.08.2017	1300	0	89744	0.52		
				22.09.2017	3194	0	92938	0.53		
				30.09.2017	20602	0	113540	0.65		
				06.10.2017	7430	0	120970	0.69		
				13.10.2017	6076	0	127046	0.73		
				05.01.2018	1000	0	128046	0.74		
				12.01.2018	5000	0	133046	0.76		
				02.02.2018	200	0	133246	0.77		
				09.02.2018	0	4100	129146	0.74		
				16.02.2018	0	2300	126846	0.73		
				23.02.2018	1500	0	128346	0.74		
				02.03.2018	0	2900	125446	0.72		
				16.03.2018	0	6384	119062	0.68		
				23.03.2018	0	802	118260	0.68	118260	0.68
6	Asian Securities Exchange Pvt. Ltd.	108420	0.62	NIL	NIL	NIL	108420	0.62	108420	0.62
7	Siddharth Balachandran*	0	0	25.08.2017	46000	0	46000	0.26		
				01.09.2017	50000	0	96000	0.55		
				30.09.2017	7051	0	103051	0.59	103051	0.59
8	Varun Daga*	0	0	10.11.2017	71457	0	71457	0.41		
				22.12.2017	25000	0	96457	0.55	96457	0.55
9	Kusum Lodha*	0	0	30.06.2017	39564	0	39564	0.23		
				07.07.2017	13000	0	52564	0.30		
				14.07.2017	14000	0	66564	0.38		
				28.07.2017	26248	0	92812	0.53		
				04.08.2017	4250	0	97062	0.56		
				30.09.2017	4400	0	101462	0.58		
				24.11.2017	0	50	101412	0.58		
				09.02.2018	0	870	100542	0.58		
				16.02.2018	0	1000	99542	0.57		
				02.03.2018	0	1500	98042	0.56		
				09.03.2018	0	1000	97042	0.56		
				16.03.2018	0	3825	93217	0.54	93217	0.54
10	Alok Lodha	59000	0.34	19.05.2017	2000	0	61000	0.35		
				26.05.2017	2426	0	63426	0.36		
				23.06.2017	10134	0	73560	0.42		
				28.07.2017	0	1000	72560	0.42		
				25.08.2017	5440	0	78000	0.45		
				19.01.2018	0	2000	76000	0.44	76000	0.44
11	BNK Securities Pvt. Ltd.**	58671	0.34	NIL	NIL	NIL	58671	0.34	58671	0.34

REPORT OF THE DIRECTORS (contd.)

Date wise movement in shareholding of the top ten shareholders - 2017-18										
Sr. No	Name of Shareholder	Shareholding at beginning of the year		Date wise increase/decrease in shareholding during the year			Cumulative shareholding during the year		No. of shares at the end of the year	
		No. of shares held on April 1, 2017	% of total shares of the company	Date	Purchased	Sold	No. of share	% of total shares of the company	No. of shares as on 31.03.2018	% of total share of the company
12	Reliance Spot Exchange Infrastructure Limited**	1188000	6.83	16.06.2017	0	28000	1160000	6.66		
				23.06.2017	0	166200	993800	5.71		
				30.06.2017	0	343800	650000	3.73		
				07.07.2017	0	559000	91000	0.52		
				14.07.2017	0	91000	0	0.00	0	0
13	Aadi Financial Advisors LLP**	579847	3.33	14.04.2017	0	19006	560841	3.22		
				05.05.2017	0	13139	547702	3.15		
				14.07.2017	0	14986	532716	3.06		
				21.07.2017	0	107466	425250	2.44		
				28.07.2017	0	68000	357250	2.05		
				15.09.2017	0	42557	314693	1.81		
				22.09.2017	0	97000	217693	1.25		
				03.11.2017	0	50000	167693	0.96		
				10.11.2017	0	80000	87693	0.50		
				17.11.2017	0	15000	72693	0.42		
				24.11.2017	0	48087	24606	0.14		
				01.12.2017	0	24606	0	0.00	0	0
14	Vallabh Roopchand Bhansali**	282424	1.62	14.04.2017	0	15000	267424	1.54		
				05.05.2017	0	10690	256734	1.47		
				14.07.2017	0	4382	252352	1.45		
				21.07.2017	0	26313	226039	1.30		
				28.07.2017	0	67000	159039	0.91		
				15.09.2017	0	9502	149537	0.86		
				22.09.2017	0	15000	134537	0.77		
				30.09.2017	0	25241	109296	0.63		
				03.11.2017	0	25000	84296	0.48		
				10.11.2017	0	40000	44296	0.25		
				17.11.2017	0	10000	34296	0.20		
				24.11.2017	0	10000	24296	0.14		
				01.12.2017	0	24296	0	0.00	0	0
15	Chinmay G Parikh**	80000	0.45	28.07.2017	0	10000	70000	0.40		
				11.08.2017	0	11784	58216	0.33		
				01.09.2017	0	16216	42000	0.24		
				08.09.2017	0	42000	0	0.00	0	0
16	Bhimavarapu Sridhar Reddy**	122439	0.70	09.06.2017	0	17001	105438	0.00		
				14.07.2017	0	6000	99438	0.57		
				28.07.2017	0	9654	89784	0.52		
				18.08.2017	173	0	89957	0.52		
				27.10.2017	0	72107	17850	0.10		
				10.11.2017	0	16396	1454	0.01		
				17.11.2017	0	1430	24	0.00	24	0



REPORT OF THE DIRECTORS (contd.)

Date wise movement in shareholding of the top ten shareholders - 2017-18										
Sr. No	Name of Shareholder	Shareholding at beginning of the year		Date wise increase/decrease in shareholding during the year			Cumulative shareholding during the year		No. of shares at the end of the year	
		No. of shares held on April 1, 2017	% of total shares of the company	Date	Purchased	Sold	No. of share	% of total shares of the company	No. of shares as on 31.03.2018	% of total share of the company
17	Namolia Capital Advisors Pvt. Ltd.**	68956	0.39	14.04.2017	0	3000	65956	0.38		
				05.05.2017	0	900	65056	0.37		
				12.05.2017	0	1000	64056	0.37		
				26.05.2017	2100	0	66156	0.38		
				09.06.2017	450	0	66606	0.38		
				16.06.2017	0	3118	63488	0.36		
				23.06.2017	0	400	63088	0.36		
				30.06.2017	1350	0	64438	0.37		
				14.07.2017	0	2870	61568	0.35		
				04.08.2017	774	0	62342	0.36		
				11.08.2017	0	1750	60592	0.35		
				18.08.2017	0	1745	58847	0.34		
				25.08.2017	0	1100	57747	0.33		
				01.09.2017	0	1105	56642	0.33		
				08.09.2017	0	3100	53542	0.31		
				15.09.2017	0	1710	51832	0.30		
				30.09.2017	0	3450	48382	0.28		
				06.10.2017	0	5750	42632	0.24		
				13.10.2017	0	4650	37982	0.22		
				20.10.2017	0	2550	35432	0.20		
				27.10.2017	0	4050	31382	0.18		
				03.11.2017	0	3470	27912	0.16		
				10.11.2017	0	4700	23212	0.13		
				17.11.2017	0	2050	21162	0.12		
				24.11.2017	0	2000	19162	0.11		
				01.12.2017	0	300	18862	0.11		
				08.12.2017	0	150	18712	0.11		
				15.12.2017	0	450	18262	0.10		
				22.12.2017	0	150	18112	0.10		
				29.12.2017	0	450	17662	0.10		
		12.01.2018	0	700	16962	0.10				
		19.01.2018	0	1300	15662	0.09				
		26.01.2018	0	1920	13742	0.08				
		09.02.2018	0	1800	11942	0.07				
		16.02.2018	0	200	11742	0.07				
		23.02.2018	0	550	11192	0.06				
		02.03.2018	0	1000	10192	0.06				
		09.03.2018	0	4900	5292	0.03				
		16.03.2018	0	3200	2092	0.01				
		23.03.2018		0	2092	0	0.00	0	0	

* Became a top 10 shareholder as on March 31, 2018

** Ceased to be a Top 10 shareholder as on March 31, 2018

REPORT OF THE DIRECTORS (contd.)
E) Shareholding of Directors and Key Managerial Personnel – Nil

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year (as on April 1, 2017)		Shareholding at the end of the year (as on March 31, 2018)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	None of the Directors or Key Managerial Personnel hold any shares in the Company.				

V. INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment - for the year ended March 31, 2018

(Amt. in ₹ Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	NIL	NIL	NIL	NIL
Change in Indebtedness during the financial year				
* Addition	1291.74	NIL	NIL	1291.74
* Reduction	NIL	NIL	NIL	NIL
Net Change	1291.74	NIL	NIL	1291.74
Indebtedness at the end of the financial year				
i) Principal Amount	1291.74	NIL	NIL	1291.74
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	1291.74	NIL	NIL	1291.74

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL- for the year ended March 31, 2018
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Amt. in ₹ Lakhs)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Mr. Vikram Mehra, Managing Director	Mr. G.B. Aayeer (WTD & CFO)	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	412.42	179.03	591.45
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	14.06	1.53	15.59
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	0.44	0.44
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-
5.	Others, (please specify)- Retirals, Others etc.	29.90*	18.26	48.16
	Total (A)	456.38	199.26	655.64
	Ceiling as per the Act	The remuneration is well within the limits prescribed under the Companies Act, 2013, read with the notification issued from time to time.		

* The above remuneration does not include Stock Appreciation Rights (SAR) provision of ₹ 780.20 lakhs for the year 17-18 and ₹ 117.38 lakhs paid in 2015-16 which was held in trust and has been accounted in the current year.

REPORT OF THE DIRECTORS (contd.)
B. Remuneration to other directors
1. Non-Executive Directors

(Amt. in ₹)

Sr. No.	Particulars of Remuneration	Mr. Sanjiv Goenka	Mrs. Preeti Goenka	Mrs. Sushila Goenka	Total
1.	Fee for attending board and committee meetings	1,10,000	60,000	60,000	2,30,000
	Commission		Nil		
	Others, please specify		Nil		
	Total (1)	1,10,000	60,000	60,000	2,30,000

2. Independent Directors

(Amt. in ₹)

Sr. No.	Particulars of Remuneration	Mr. B. Raychaudhuri	Mr. N. N. Framjee	Mr. U. Kanoria	Mr. S. Bhattacharya	Mr. A. Sarkar	Total
1.	Fee for attending board and committee meetings	1,15,000	25,000	1,30,000	1,20,000	85,000	4,75,000
	Commission			Nil			
	Others, please specify			Nil			
	Total (2)	1,15,000	25,000	1,30,000	1,20,000	85,000	4,75,000
	Total Managerial Remuneration (B)(1) + (B)(2)						7,05,000
	Ceiling as per the Act - The remuneration is well within the limit prescribed under the Companies Act, 2013.						

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(Amt. in ₹ Lakhs.)

Sr. No.	Particulars of Remuneration	Name of Key Managerial Personnel		Total
		*Mr. Tony Paul Company Secretary	# Ms. Kamana Khetan Company Secretary	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		3.07	4.42
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		0.01	0.16
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2	Stock Option			
3	Sweat Equity			
4	Commission			
	- as % of profit			
5	Others, please specify: Retirals etc.		0.56	0.41
	Total		3.64	4.99

*Resigned with effect from 12.04.2017.

#Appointed as a Company Secretary with effect from 04.08.2017.

Note:

- Mr. G. B. Aayeer is the CFO as well as Whole Time Director in the Company.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties / punishment / compounding of offences for breach of any section of Companies Act against the Company or its Directors, if any, during the year ended March 31, 2018.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Vikram Mehra
Managing Director
DIN: 03556680

G. B. Aayeer
CFO and Whole-time Director
DIN: 00087760

Date: May 11, 2018
Place: Kolkata



REPORT OF THE DIRECTORS (contd.)

"ANNEXURE - B"

NOMINATION AND REMUNERATION POLICY

PREAMBLE

This policy is framed pursuant to the requirement of sub-clause IV of Clause 49 of the Equity Listing Agreement with the objective to align with the provisions of the Companies Act, 2013, adopt the best practices on corporate governance and make the corporate governance framework more.

In pursuance of the Company's policy to consider human resources as its most valuable assets, ensure equitable remuneration to all viz. Directors, Key Managerial Personnel (KMP) and other employees of the Company, this policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management Members and other employees has been formulated by the Nomination and Remuneration Committee and approved by the Board of Directors in terms of the provisions of the Companies Act, 2013 and the abovementioned requirements of listing agreement as may be amended from time to time.

1. OBJECTIVE AND PURPOSE OF THE POLICY:

The objective and purpose of this policy are:

- 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 determine 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 retain, motivate and promote talent and create a sense of participation and ownership.

Accordingly, the following policy formulated by the Nomination and Remuneration Committee and applicable to Directors (Executive and Non Executive), Key Managerial Personnel and Senior Management Personnel and other employees was recommended for adoption to the Board of Directors. The Remuneration policy and the evaluation criteria followed shall be disclosed in the Annual Report of the Company.

2. RELEVANT PARTICULARS

Effective Date:

This policy shall be effective when it is approved by the Board.

Nomination and Remuneration Committee:

Definitions

- Key Managerial Personnel (KMP): Key Managerial Personnel means:
 - 1) Managing Director or Chief Executive Officer;
 - 2) Whole-time Director;
 - 3) Chief Financial Officer;
 - 4) Company Secretary and such other officer as may be prescribed under the applicable statutory provisions or regulations;
- Senior Management: Senior Management means personnel of the Company occupying the position of one level below the Board of Directors of the Company.

General

This Policy is divided in three parts:

Part - A covers the matters to be dealt with and recommended by the Committee to the Board

Part - B covers the appointment criteria and nomination

Part - C covers remuneration criteria.



REPORT OF THE DIRECTORS (contd.)

PART – A

MATTERS TO BE DEALT WITH, PERUSED AND RECOMMENDED TO THE BOARD BY THE NOMINATION AND REMUNERATION COMMITTEE

The Committee shall, based on the requirement from time to time:

- Identify and formulate criteria to determine qualifications, positive attributes and independence of a Director.
- Formulate criteria to identify persons who are qualified to become Directors and persons who may be appointed in Key Managerial and Senior Management positions.
- Recommend to the Board, appointment of Director, KMP and Senior Management Personnel and other employees.

PART – B

APPOINTMENT CRITERIA

Appointment criteria and qualifications:

1. The Committee shall identify and ascertain the integrity, professional qualifications, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and other employees and recommend to the Board his/her appointment. While doing this the Committee shall also take into account the mandatory requirement for the composition of the Board, Audit Committee, the Stakeholders' Relationship Committee. The Committee shall lay emphasis on a diverse Board composition based on a range of diversity perspectives such as gender, age, educational background, skills, experience etc. The ultimate decision shall be based on merit.
2. The Committee has discretionary power to decide whether qualification, expertise and experience possessed by a person is sufficient/satisfactory for the concerned position as a KMP or Senior management personnel.
3. The Committee shall not recommend for appointment or continuation of any person as Director who:
 - Is of unsound mind and so declared by a competent court;
 - Is an undischarged insolvent;
 - Has applied to be adjudicated as an insolvent and his application is pending;
 - Has been convicted by a Court of any offence whether involving moral turpitude or otherwise and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence;
 - Has been convicted of any offence and sentenced in respect thereof to imprisonment for seven years;
 - An order disqualifying him for appointment as Director has been passed by a Court or Tribunal and the order is in force;
 - Has not paid any calls in respect of the shares of the Company held by him and six months have elapsed from the last day fixed for the payment of the call;
 - Has been convicted of the offence dealing with related party transactions under Section 188 at any time during the last preceding 5 years;
 - Has not been allotted the DIN under Section 152 of the Companies Act 2013;
 - Has not completed the age of twenty-one years and has attained the age of 70 years. If any Director who has completed the age of 70 years and the appointment is approved by special resolution passed by the Company in General Meeting, no further approval of the Central Government shall be required;
 - Is a managerial person in more than one company and draws remuneration from one or more companies above the ceiling provided in Section V of Part II of Schedule V of the Companies Act, 2013.
 - Further no person who has been a Director of the Company shall be eligible to be reappointed as Director of that Company or appointed as Director in any other company for a period of five years from the date on which the Company fails to:
 - File financial statements or annual returns for any continuous period of three financial years.
 - Repay deposits accepted or pay interest thereon or redeem any debentures on the due date or pay interest due thereon or pay any dividend declared and such failure continues for one year.
 - No person can be appointed as Director in more than twenty companies and maximum number of public companies in which he can be a Director shall not exceed ten. Similarly a person cannot be a Managing Director in more than two companies.
 - There shall be a minimum of three Directors and a maximum of fifteen in a Company. The Company can appoint a higher number of Directors on approval by Members vide special resolution.



REPORT OF THE DIRECTORS (contd.)

Term and Tenure

1. Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director or Whole-time Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

2. Independent Director:

As per Companies Act, 2013 an Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment for another term of five years on passing of a special resolution by the Company and disclosure of such appointment in the Board's Report. No Independent Director shall hold office for more than two consecutive terms of five years and thereafter he shall be eligible for appointment after expiry of three years (cooling period) of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director it should be ensured that the number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director but only three listed companies as an Independent Director in case such person is also serving as a Whole-time Director of a listed company.

3. Senior Management Personnel:

In terms of the provisions of Section 203 of the Companies Act, 2013, a Whole-time Key managerial personnel (KMP) shall not hold office in more than one Company except in its subsidiary company at the same time.

However the KMP can be a Director in any other Company (which may or may not be a subsidiary) with the approval of the Board.

Any remuneration payable to a Managing Director/Whole-time Director/ Executive Director who is also drawing remuneration in another Company in a similar position shall be subject to the highest maximum limit admissible from any one Company calculated in such manner as provided in Schedule V and other applicable provisions of the Companies Act, 2013.

Evaluation:

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular intervals (yearly or such other interval as the Committee deems fit).

PART – C

POLICY RELATING TO THE REMUNERATION FOR THE WHOLE-TIME DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL

A) General:

1. The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel and other employees will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
2. The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage/slabs/conditions laid down under Section 197, 198 and other applicable provisions of the Companies Act, 2013, read with Schedule V and rules 4 and 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 made thereunder.
3. Increments to the existing remuneration/compensation structure may be recommended by the Committee to the Board which should be within the ceiling limit slabs approved by the Shareholders in the case of Whole-time Director.

B) Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:

1. Fixed pay:

The Whole-time Director/KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F. pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

2. Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.

3. Provisions for excess remuneration:

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or the prior sanction of the Central Government, where required, is not obtained, he/she



REPORT OF THE DIRECTORS (contd.)

shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless it is approved by the Central Government.

C) Remuneration to Non-Executive/Independent Director:

1. Remuneration/Commission:

The remuneration/commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Companies Act, 2013 and the rules made thereunder.

2. Sitting Fees:

The Non-Executive/Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed ₹ One lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

3. Commission:

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

4. Stock Options:

An Independent Director shall not be entitled to any stock option of the Company.

CRITERIA FOR IDENTIFICATION OF PERSONS FOR APPOINTMENT AS DIRECTORS AND IN SENIOR MANAGEMENT:

In accordance with the provisions of Section 178(3) of the Act, the Nomination and Remuneration Committee is required to formulate the criteria for determining Qualifications, Positive Attributes and Independence of a Director which is given below:

1. Definition of Independence

A director will be considered as an “Independent Director” if the person meets with the criteria for ‘Independent Director’ as laid down in the Companies Act and of the Listing Agreement.

The definition of independence as provided in the Act is as follows:

“An independent director in relation to a company, means a director other than a managing director or a whole-time or a nominee director,—

- (a) who, in the opinion of the board, is a person of integrity and possesses relevant expertise and experience;
- (b)
 - i. who is or was not a promoter of the company or its holding, subsidiary or associate company;
 - ii. who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
- (c) who has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- (d) none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- (e) who, neither himself, nor any of his relatives —
 - i. holds or has held the position of a key managerial personnel or is or has been an employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed; or
 - ii. is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of —
 - a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
 - any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent. of the gross turnover of such firm;
 - iii. holds together with his relatives two per cent or more of the total voting power of the company; or
 - iv. is a chief executive or director, by whatever name called, of any non-profit organisation that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company;
 - v. is a material supplier, service provider or customer or a lessor or lessee of the company;
 - vi. who is not less than 21 years of age (additional provision as per Listing Agreement)



REPORT OF THE DIRECTORS (contd.)

(f) who possesses such other qualifications as may be prescribed.”

2. Qualifications of Directors

- Boards will ensure that a transparent board nomination process is in place that encourages diversity of thought, experience, knowledge, perspective, age and gender.
- It is expected that boards have an appropriate blend of functional and industry expertise.
- While recommending appointment of a director, it is expected that the Nomination and Remuneration Committee (“NRC”) consider the manner in which the function and domain expertise of the individual contributes to the overall skill-domain mix of the Board.
- Independent Directors (“ID”) ideally should be thought/practice leaders in their respective functions/domains.

3. Positive attributes of Directors

Directors are expected to comply with duties as provided in the Act. For reference, the duties of the Directors as provided by the Act are as follows:

1) “Act in accordance with the articles of the company.

- Act in good faith in order to promote the objects of the company for the benefit of its members as a whole, and in the best interests of the company, its employees, the shareholders, the community and for the protection of environment.
- Exercise duties with due and reasonable care, skill and diligence and exercise independent judgment.
- Not be involved in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company.
- Not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates.
- Not assign his office.”

Additionally, the Directors on the Board of Saregama India Limited are also expected to demonstrate high standards of ethical behavior, strong interpersonal and communication skills and soundness of judgment.

IDs are also expected to abide by the ‘Code for Independent Directors’ as outlined in Schedule IV to section 149(8) of the Act. The Code specifies the guidelines of professional conduct, role and function and duties of Independent Directors. The guidelines of professional conduct specified in the Code are as follows:

“An independent director shall:

- uphold ethical standards of integrity and probity;
- act objectively and constructively while exercising his duties;
- exercise his responsibilities in a bona fide manner in the interest of the company;
- devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- not abuse his position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- refrain from any action that would lead to loss of his independence;
- where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- assist the company in implementing the best corporate governance practices.”

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Vikram Mehra
Managing Director
DIN: 03556680

G. B. Aayeer
CFO and Whole-time Director
DIN: 00087760

Date: May 11, 2018
Place: Kolkata

REPORT OF THE DIRECTORS (contd.)
"ANNEXURE - C"
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 2017-18 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2017-18 are as under :

Sl. No.	Name of Director / KMP and Designation	Remuneration of Director / KMP for financial year 2017-18 (₹ in Lakhs)	% increase in Remuneration in the Financial Year 2017-18	Ratio of remuneration of each Director / to median remuneration of employees
1.	Mr. Vikram Mehra, Managing Director	456.38 ^{###}	12.74%	53.88 : 1
2.	Mr. G. B. Aayeer, Whole-Time Director & CFO	199.26	12.08%	23.53 : 1
3.	Mr. Tony Paul, Company Secretary & GM – Legal*	3.64	-89.86%	N.A.
4.	Ms. Kamana Khetan, Company Secretary [#]	4.99	N.A.	N.A.

*Resigned with effect from 12.04.2017

[#]Appointed as a Company Secretary with effect from 04.08.2017.

^{###}The above remuneration does not include Stock Appreciation Rights (SAR) provision of ₹ 780.20 lacs for the year 17-18 and ₹ 117.38 lacs paid in 2015-16 which was held in trust and has been accounted in the current year.

Note: No other Director other than the Managing Director and Whole-Time Director received any remuneration other than sitting fees during the financial year 2017-18.

- ii) In the financial year, there was an increase of 1.20% in the median remuneration of employees.
- iii) There were 230 permanent employees on the rolls of Company as on March 31, 2018.
- iv) Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year 2017-18 was 4.08 % whereas the increase in the managerial remuneration for the same financial year was 12.54%.
- v) It is hereby affirmed that the remuneration paid during the Financial Year ended 31st March, 2018 is as per the Remuneration Policy of the Company.

STATEMENT PURSUANT TO RULE 5(2) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) AMENDMENT RULES, 2016:
A. List of top 10 employees of the Company in terms of remuneration drawn and employees who drew remuneration during the financial year not less than ₹ 1.02 Crores per annum:

Name of the employee	Designation	Gross remuneration	Nature of employment	Qualifications and experience	Date of commencement of employment	Age	Last employment
Vikram Mehra	Managing Director	₹ 4,56,38,198* per annum	Permanent	Qualification: B.Tech, MBA Experience: 21 years	27.10.2014	46 Years	Tata Sky Ltd
Ghanashyam B Aayeer	Whole-Time Director and CFO	₹ 1,99,26,354 per annum	Permanent	Qualification: Chartered Accountant Experience: 37 years	17.11.2003	59 Years	CEAT Ltd.

* The above remuneration does not include Stock Appreciation Rights (SAR) provision of ₹ 780.20 lacs for the year 17-18 and ₹ 117.38 lacs paid in 2015-16 which was held in trust and has been accounted in the current year.


REPORT OF THE DIRECTORS (contd.)

B. Employees employed for the part of the year and drew remuneration during the financial year 2017-18 at a rate which in aggregate was not less than ₹ 8.50 Lakhs per month:

Name of the employee	Designation	Gross remuneration	Nature of employment	Qualifications and experience	Date of commencement of employment	Age	Last employment
Rohit Chopra	Senior VP – Legal	₹ 8,51,250 per month	Permanent	Qualification: Bachelor of Laws Experience: 19 years	01.02.2018	42 Years	Times Television Network

Notes:

1. Remuneration consists of salary, variable pay, allowances and perquisites as computed under the Income Tax Act, 1961.
2. Above employees are in full time employment with the Company and the same can be terminated by notice on either side and are governed as per the terms of respective appointment and/or rules/policies of the Company.
3. None of the employees mentioned above is related to any Director of the Company.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Vikram Mehra
Managing Director
DIN: 03556680

G. B. Aayeer
CFO and Whole-time Director
DIN: 00087760

Date: May 11, 2018
Place: Kolkata

REPORT OF THE DIRECTORS (contd.)
"ANNEXURE - D"
Annual Report on Corporate Social Responsibility (CSR) Activities
1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

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

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

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

2. Composition of the CSR Committee

The CSR committee comprises of the following members:

Name of the Directors	Position	Category of Director
Mr. Umang Kanoria	Member	Non-executive Independent Director
Mr. Ghanashyam B. Aayeer	Member	Whole-time Director
Mr. Santanu Bhattacharya	Member	Non-executive Independent Director

3. Average net profit/(Loss) of the company for last three financial years - ₹ 2,848.07 lakhs
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) - ₹ 56.96 lakhs
5. Details of CSR spent during the financial year;

- Total amount to be spent for the financial year; - ₹ 56.96 lakhs
- Amount unspent, if any; - Nil
- Manner in which the amount was spent:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto to the reporting period	Amount spent : Direct or through implementing agency
1	Setting up of an institution of excellence	Sector permitted under Schedule VII to the Companies Act, 2013	Kolkata, West Bengal	₹ 57 lakhs	₹ 57 lakhs	₹ 222.21 lakhs	RP Sanjiv Goenka CSR Trust

6. The CSR Committee states that the implementation and monitoring of the CSR Policy, is in compliance with the CSR objectives and Policy of the Company.
FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Vikram Mehra
Managing Director
DIN: 03556680

G. B. Aayeer
CFO and Whole-time Director
DIN: 00087760

Date: May 11, 2018
Place: Kolkata


REPORT OF THE DIRECTORS (contd.)

"ANNEXURE - E"

Form No. MR - 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

*[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, 2018 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, 2018 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, 1992 and 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.

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

- (a) 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;
- (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
- (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;



REPORT OF THE DIRECTORS (contd.)

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

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

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India and to the extent amended and notified from time to time.
- (ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited, BSE Limited and Calcutta Stock Exchange Limited.

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

We further report that,

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

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

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

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

We further report that during the audit period the Company had Obtained approval of shareholders by way of Special Resolution passed at Annual General Meeting of the Company held on 28.07.2017 for re-appointment of Mr. Ghanashyam Bhagwan Aayeer as a Whole time Director of the Company and variation in remuneration payable to Mr. Vikram Mehra, Managing Director of the Company.

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**

**Place : Kolkata
Date : 11.05.2018**



REPORT OF THE DIRECTORS (contd.)

“ANNEXURE – A”
(TO THE SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018)

To,
The Members

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

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 : 11.05.2018

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. Committee of Directors
- IV. Audit Committee
- V. Nomination and Remuneration Committee
- VI. Stakeholders Relationship Committee
- VII. Corporate Social Responsibility 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 ('the SEBI 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 31st March, 2018

The Board of Directors of the Company comprises of

- 8 Non-Executive Directors (including 5 independent Directors) ¹
- 2 Executive Directors

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 Stakeholder 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. All Non-Independent Directors, are liable to retire by rotation.

During the year under review 4 (Four) Board meetings were held on 25th May, 2017; 4th August, 2017; 24th October, 2017 and 24th January, 2018. The maximum time-gap between any two meetings did not exceed 120 days.

REPORT ON CORPORATE GOVERNANCE (contd.)

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 31st March, 2018 are given below:

Sl. No.	Name of the Directors	Category of Director	No. of Directorships in other Public Limited companies incorporated in India ²	No of other Committee Membership(s) / Chairmanship(s) held ³		No. of Equity Shares held
				As Chairperson	As Member	
1.	Mr. Sanjiv Goenka	Non-Executive (Chairman)	6	1	1	-
2.	Mrs. Preeti Goenka	Non-Executive	-	-	-	-
3.	Mrs. Sushila Goenka	Non-Executive	-	-	-	-
4.	Mr. Bhaskar Raychaudhuri	Non-Executive Independent	9	-	7	-
5.	Mr. Umang Kanoria	Non-Executive Independent	5	2	2	-
6.	Mr. Santanu Bhattacharya	Non-Executive Independent	6	-	6	-
7.	Mr. Arindam Sarkar	Non-Executive Independent	2	-	1	-
8.	Mr. Noshir Naval Framjee ¹	Non-Executive Independent	-	-	-	-
9.	Mr. Vikram Mehra	Managing Director	1	-	-	-
10.	Mr. Ghanashyam Bhagwan Aayeer	Whole-time Director	4	-	-	-

¹ Mr. Noshir Naval Framjee was appointed as a Non-Executive Independent Director w.e.f. 12.06.2017.

² Excluding private limited companies (but includes subsidiaries of public companies), foreign companies and companies under Section 8 of the Companies Act.

³ Pursuant to Regulation 26(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, only two committees viz, Audit and Stakeholders Relationship Committees, have been considered for this purpose.

Directors namely Mr. Sanjiv Goenka, Mrs. Preeti Goenka and Mrs. Sushila Goenka are related to each other under the Companies Act, 2013 read with the Rules made thereunder.

B. Attendance of Directors at the Board Meetings during the period 1st April, 2017 to 31st March, 2018 and at the last Annual General Meeting.

Sl. No.	Name of Directors	Number of Meetings Attended out of four Board Meetings held during the year	Attendance at the last AGM on 28.7.2017
1.	Mr. Sanjiv Goenka	4	No
2.	Mrs. Preeti Goenka	3	No
3.	Mrs. Sushila Goenka	3	No
4.	Mr. Bhaskar Raychaudhuri	4	No
5.	Mr. Umang Kanoria	4	No
6.	Mr. Santanu Bhattacharya	4	No
7.	Mr. Arindam Sarkar	4	No
8.	Mr. Noshir Naval Framjee ¹	1	No
9.	Mr. Vikram Mehra	4	Yes
10.	Mr. Ghanashyam Bhagwan Aayeer	4	Yes

¹ Mr. Noshir Naval Framjee was appointed as a Non-Executive Independent Director w.e.f. 12.06.2017.

Note: The Chairman of the Audit Committee could not attend the Annual General Meeting.

REPORT ON CORPORATE GOVERNANCE (contd.)

C. Code of Conduct and Ethics 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 of Conduct for Board Members and Senior Management of the Company is posted on the website of the Company and may be accessed at the link http://r.saregama.com/resources/pdf/Code_of_Conduct.pdf.

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.

D. Compliance Reports

At each meeting of the Board of Directors, the Managing Director and Whole-time Director places a certificate covering compliance of various provisions of law, as applicable.

E. Board Effectiveness Evaluation: Pursuant to the Regulation 17 and Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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.

F. 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 http://r.saregama.com/resources/pdf/investor/familiarization_programme_for_independent_director.pdf.

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 for review. The Board Committees can request special invitees to join the meeting, as appropriate.

The Board has currently established the following Committees:

III. Committee of Directors

(i) Composition

The composition of the Committee of Directors as on 31st March, 2018 is as under:

Name of the Directors	Position	Category of Director
Mr. Sanjiv Goenka	Chairman	Non-executive Director
Mr. Bhaskar Raychaudhuri	Member	Non-executive Independent Director
Mr. Vikram Mehra	Member	Managing Director
Mr. Ghanashyam B. Aayeer	Member	Whole-time Director

(ii) Meetings

During the financial year ended 31st March, 2018, 4 (four) Meetings of the Committee of Directors were held on 22nd December, 2017, 18th January, 2018, 15th February, 2018 and 16th March, 2018 respectively.

The attendance of the Committee of Directors at the said meetings are detailed below :-

Sl. No.	Name of the Directors	Number of Meetings attended out of four meetings held during the year
1.	Mr. Sanjiv Goenka	4
2.	Mr. Bhaskar Raychaudhuri	-
3.	Mr. Vikram Mehra	4
4.	Mr. Ghanashyam B. Aayeer	4

REPORT ON CORPORATE GOVERNANCE (contd.)

IV. Audit Committee

The Audit Committee of the Company functions in accordance with the requirement of Section 177 of the Act and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015. The composition of the Audit Committee is in compliance of Regulation 18(1) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

The Audit Committee comprises of 3 Directors and all are Independent Directors. The Members of the Audit Committee possesses financial/accounting expertise/exposure.

The meetings of the Audit Committee are also attended by the Chief Financial Officer, representatives of the Statutory Auditors and 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 of Committee 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 25th May, 2017, 4th August, 2017, 24th October, 2017 and 24th January, 2018 respectively.

(i) Terms of Reference

The broad terms of reference includes the following as is mandated in Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and Section 177 of the Act:

- a. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b. Recommend to the Board, the appointment, re-appointment, terms of appointment, remuneration and, if required, replacement or removal of Statutory Auditors and fixation of Audit fees.
- c. Approval of payment to statutory auditors for any other services rendered by them.
- d. Reviewing, with the management the annual financial statements and auditors' report thereon before submission to the Board for approval with particular reference to the matters stated under sub clause (a) to (g) of Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 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.

REPORT ON CORPORATE GOVERNANCE (contd.)

- s. Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.
- t. Examination of the financial statement and the auditors' report thereon.
- u. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

(ii) Composition

The composition of the Audit Committee as on 31st March, 2018 is as under:

Name of the Directors	Position	Category of Director	Meetings attended
Mr. Bhaskar Raychaudhuri	Chairman	Non-executive Independent Director	4
Mr. Umang Kanoria**	Member	Non-executive Independent Director	4
Mr. Santanu Bhattacharya *	Member	Non-executive Independent Director	3

* Appointed as a member of the Committee w.e.f. 25.4.2017.

**Appointed as Chairman of the Committee w.e.f. 11.05.2018.

V. Nomination and Remuneration Committee

(i) Terms of Reference

The existing Compensation Committee has been renamed as Nomination and Remuneration Committee as required under Section 178 of the Companies Act, 2013.

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

- a. 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;
- b. Devising a policy on Board diversity;
- c. 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;
- d. Recommend to the Board appointment or re-appointment of Directors and Key Managerial Personnel (KMP) as defined by the Act;
- e. Carry out evaluation of every Director's performance and support the Board and Independent Director in evaluation of the performance of the Board, its committees and individual Directors. This shall include *'formulation of criteria of evaluation of Independent Director and Board'*.
- f. Recommend the Remuneration policy for Directors, KMP, executive team and other employees.

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

During the financial year ended 31st March, 2018, Nomination and Remuneration Committee met twice on 9th June, 2017 and 4th August, 2017 respectively.

(ii) Composition

The composition of the Nomination and Remuneration Committee as on 31st March, 2018 and attendance at its meeting is as under:

Name of the Directors	Position	Category of Director	Meetings attended
Mr. Bhaskar Raychaudhuri	Chairman	Non-executive Independent Director	2
Mr. Umang Kanoria	Member	Non-executive Independent Director	2
Mr. Santanu Bhattacharya*	Member	Non-executive Independent Director	2

* Appointed as a member of the Committee w.e.f. 25.4.2017.

REPORT ON CORPORATE GOVERNANCE (contd.)

Remuneration Policy

The Company adopted a Remuneration Policy for Directors, Key Managerial Personnel and other employees in accordance with the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. For details on the Remuneration Policy, kindly refer to the “ANNEXURE-B” of the Directors’ Report.

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, 2018 are as follows:

Sl. No.	Name of the Directors	Sitting Fees Paid / Payable (₹)
1.	Mr. Sanjiv Goenka	110,000
2.	Mrs. Preeti Goenka	60,000
3.	Mrs. Sushila Goenka	60,000
4.	Mr. Bhaskar Raychaudhuri	115,000
5.	Mr. Umang Kanoria	130,000
6.	Mr. Santanu Bhattacharya	120,000
7.	Mr. Arindam Sarkar	85,000
8.	Mr. Noshir Naval Framjee	25,000
	Total	705,000

B. Executive Directors

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

Mr. Vikram Mehra, Managing Director, has been paid remuneration as per the Agreement entered with the Company on 23rd December, 2014 and approved by the shareholders at the Annual General Meeting held on 31st July, 2015. The variation in remuneration of Mr. Mehra was also approved by the shareholders at the Annual General Meeting held on 28th July, 2017. Mr. Vikram Mehra’s subsequent increment in his remuneration effective 1st July, 2017 has been recommended by the Nomination and Remuneration Committee and is subject to approval of the shareholders at the ensuing Annual General Meeting.

Mr. G. B. Aayeer, the Whole-time Director, has been paid remuneration as per the Agreements entered with the Company on 9th April, 2012 and 25th January, 2017 approved by the shareholders at the Annual General Meetings held on 27th July, 2012 and 28th July, 2017 respectively. The variation in remuneration of Mr. Aayeer was also approved by the shareholders at the Annual General Meetings held on 26th July, 2013, 30th July, 2014, 31st July, 2015, 22nd July, 2016 and 28th July, 2017. Mr. G. B. Aayeer’s increase in the remuneration effective 1st July, 2017 has been recommended by the Nomination and Remuneration Committee and is subject to approval of the shareholders at the ensuing Annual General Meeting.

Details of remuneration paid/payable to the Executive Directors for the Financial Year 2017-2018 are given hereunder:

(Amt in ₹)

Name	Vikram Mehra
Designation	Managing Director
Salaries and allowances	3,32,91,840
Bonus/Incentive/Increments	8,741,248
Perquisites	1,406,150
Contribution to Provident and other funds and leave Encashment	2,198,960
Total	4,56,38,198**

REPORT ON CORPORATE GOVERNANCE (contd.)

Service Contract	As per the agreement entered into by the Company and Mr. Vikram Mehra.
Notice period	(i) Not less than three months' notice or three months' basic salary in lieu of notice (ii) Termination of Agreement by the Company upon giving shorter notice, by payment of basic salary in lieu of notice.
Severance Fees	Nil
Stock Appreciation Rights	Pursuant to Stock Appreciation Rights Scheme 2014, the Nomination and Remuneration Committee of the Board of Directors has granted 2,00,000 Stock Appreciation Rights (SAR) to the Managing Director on October 27, 2014.

** The above remuneration does not include Stock Appreciation Rights (SAR) provision of ₹ 780.20 lacs for the year 17-18 and ₹ 117.38 lacs paid in 2015-16 which was held in trust and has been accounted in the current year.

(Amt. in ₹)

Name	Ghanashyam Bhagwan Aayeer		
Designation	Whole-Time Director		
Salaries and allowances	14,646,471		
Bonus/Incentive/Increments	3,618,047		
Contribution to Provident and other funds and leave Encashment	1,464,353		
Perquisites	153,250		
Share Based Compensation Expense	44,233		
Total	1,99,26,354		
Service Contract:	As per the agreement entered into by the Company and Mr. Ghanashyam B. Aayeer.		
Notice period	(i) Not less than three months' notice or three months' basic salary in lieu of notice (ii) Termination of Agreement by the Company upon giving shorter notice, by payment of basic salary in lieu of notice.		
Severance fees	Nil		
Stock Option	Pursuant to approved Saregama Employee Stock Option Scheme 2013 (Scheme), the Compensation Committee of the Board of Directors has granted shares / options during 2013-14 and 2016-17 to certain eligible employees and outstanding as on 31st March, 2017 at the following exercise price, being prevailing market price as on date of joining / revision of salary of respective employee:		
	Name of eligible employees	No. of options/ shares	Exercise price per share (₹)
	Mr. G. B. Aayeer, Chief Financial Officer and Director	10,000	69.85

VI. Stakeholders Relationship Committee

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

1. Review statutory compliance relating to all securities holders.
2. Consider and resolve the grievances of security holders of the Company including complaints related to transfer of securities, non- receipt of annual report / declared dividends / notices / balance sheet.
3. Oversee compliances in respect of dividend payments and transfer of unclaimed amounts to the Investor Education and Protection Fund.
4. Approve issue of duplicate certificates of the Company.

REPORT ON CORPORATE GOVERNANCE (contd.)

5. Recommend measures for overall improvement of the quality of investor services.

The Stakeholders Relationship Committee's composition and the terms of reference meets with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and provisions of the Act.

During the year under review, 2 (two) Meetings of the Stakeholders Relationship Committee were held on 25th May, 2017 and 24th October, 2017 respectively.

The following is the composition of the Stakeholders Relationship Committee as on 31st March, 2018 is as under:

Name of the Directors	Position	Category	Meetings attended
Mr. S. Goenka	Chairman	Non-executive Director	2
Mr. U. Kanoria	Member	Non-executive Independent Director	2
Mr. Santanu Bhattacharya*	Member	Non-executive Independent Director	1

* Appointed as a member of the Committee w.e.f. 25.4.2017.

Ms. Kamana Khetan appointed as Company Secretary and Compliance Officer with effect from 4th August, 2017 in view of resignation of Mr. Tony Paul, the then GM-Legal & Company Secretary also the 'Compliance Officer' who resigned w.e.f. the close of business hours of 12th April, 2017. Mr. G. B. Aayeer, CFO and Whole-time Director has been functioning as Compliance Officer till the appointment of Ms. Kamana Khetan as Company Secretary.

Status of Shareholders' Complaints:

Complaints pending as on 1st April, 2017	Nil
Number of complaints	
- received during the year	2
- resolved during the year	2
Complaints pending as on 31st March, 2018	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 31st March, 2018 is as under:

Mr. V. Mehra, Managing Director

Mr. G. B. Aayeer, Chief Financial Officer

The Share Transfer Sub-Committee held 19 meetings during the financial year ended 31st March, 2018.

VII. 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 as 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 Committee met once on 9th March, 2018. The details of composition and attendance is as under:

Name of the Directors	Position	Category of Director	Attendance
Mr. U. Kanoria	Member	Non-executive Independent Director	1
Mr. G. B. Aayeer	Member	Whole-time Director	1
Mr. Santanu Bhattacharya*	Member	Non-executive Independent Director	1

* Appointed as a member of the Committee w.e.f. 25.4.2017.

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

Independent Directors Meetings

During the year 2017-18, the Independent Directors viz. Messrs B. Raychaudhuri, U. Kanoria, S. Bhattacharya, A. Sarkar and N. N. Framjee met on 9th March, 2018 in order to, inter alia, review the performance of non-independent directors including that of the Chairman taking into account the views of the executive and non-executive directors; assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties and other related matters. All the five Independent Directors attended the said meeting.

REPORT ON CORPORATE GOVERNANCE (contd.)
VIII. General Body Meetings
(i) Location and time of the last three Annual General Meetings (AGM) held

Date	Type	Venue	Time	Special Resolutions Passed
28th July, 2017	70th AGM	Mohit Moitra Mancha, 34/1, Raja Manindra Road, Paikpara, Kolkata - 700037.	10.00 AM	Yes
22nd July, 2016	69th AGM	Mohit Moitra Mancha, 34/1, Raja Manindra Road, Paikpara, Kolkata - 700037.	10.00 AM	Yes
31st July, 2015	68th AGM	Mohit Moitra Mancha, 34/1, Raja Manindra Road, Paikpara, Kolkata - 700037.	10.00 AM	Yes

Note:

There was no special resolution put through postal ballot in the last Annual General Meeting (AGM) held on 28th July, 2017. As on date no resolution is proposed to be conducted through postal ballot in the ensuing AGM.

- (ii) Disclosure regarding appointment or reappointment of Directors in accordance with Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been provided in the Notice convening the Annual General Meeting of the Company.

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) The Company has complied with all the requirements of the Listing Agreement with the Stock Exchanges as well as regulations and guidelines of SEBI.

There has been no non-compliance, penalties or strictures imposed by SEBI, Stock Exchanges or any other statutory authority on matters relating to capital markets during the last three years ended on 31st March, 2018.

- (iii) Out of the 53,38,628 equity shares issued for cash at a premium of ₹ 35/- (issue price - ₹ 45/-) pursuant to the Rights Issue in 2005, allotment of 5,290 (31.03.2017 – 5,290) equity shares (relating to cases under litigation / pending clearance from concerned authorities) are in abeyance as on 31st March, 2018.

- (iv) Laid down procedures for assessment and minimisation of risk are being reviewed and updated periodically by the Board of Directors.

- (v) All mandatory requirements have been appropriately complied with and the non mandatory requirements are dealt with at the end of the Report.

- (vi) Certificate from the Managing Director and Whole-time Director cum Chief Financial Officer in terms of Part B of Schedule II pursuant to Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended 31st March, 2018 was placed before the Board of Directors of the Company at its meeting held on 11th May, 2018.

- (vii) In compliance with the SEBI regulation on prevention of insider trading, 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 material events, as per the Code.

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

Ms. Kamana Khetan, Company Secretary and the Compliance Officer also acts as the Chief Investor Relations Officer from her appointment with effect from 4th August, 2017.

- (viii) As required under the Act and as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a Whistle Blower Policy for its Directors and permanent employees. Under the Policy, instances of any irregularity, unethical practice and / or misconduct can be reported to the management for appropriate action. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

- (ix) The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 covering all employees of the Company. An internal Complaints Committee set up for the purpose did not receive any complaints for redressal during the year.



REPORT ON CORPORATE GOVERNANCE (contd.)

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

Discretionary Requirements:

Regulation 27 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- a) **Modified opinion(s) in audit report:** Company may move towards a regime of financial statements with unmodified audit opinion: The Company always endeavour to present unmodified financial statements. There is no audit modification in the Company's financial statements for the year ended 31st March, 2018.
- b) **Separate posts of chairperson and chief executive officer:** The Company may appoint separate persons to the post of Chairman and Managing Director/CEO: The positions of Chairman and Chief Executive Officer (CEO) are separate in the Company. The Chairman of the Company is a Non-Executive Director while the Company has separate Managing Director who is an Executive Director.
- (xi) The Company hereby confirms that it has complied with the corporate governance requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of the Regulation 46(2) of SEBI Listing Regulations, 2015.

Subsidiary Companies

Of the subsidiaries of the Company, the unlisted Indian subsidiaries (Kolkata Metro Networks Limited and Open Media Network Pvt. Ltd.) as on 31st March, 2018 does not come under the purview of "material non-listed Indian subsidiary" as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The policy on material subsidiaries is available on the website of the company www.saregama.com.

X. Means of Communication

Quarterly results which newspapers normally published in	:	Financial Express (English) and Aajkaal (Bengali).
Any website, where displayed	:	www.saregama.com
Whether it displays official news releases	;	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.
Presentations made to institutional investors or to the analysts	;	
Whether Management Discussions and Analysis is a part of Annual Report or not	:	Yes.

XI. General Shareholder Information

a) AGM : Date, Time and Venue	:	27th July, 2018 at 10.00 A.M. at Mohit Moitra Mancha, 34/1, Raja Manindra Road, Paikpara, Kolkata – 700 037
b) Financial Year	:	1st April to 31st March
c) Dates of book closure	:	From 21st July, 2018 to 27th July, 2018 (both days inclusive) as annual closure for the Annual General Meeting and payment of dividend, if declared.
d) Dividend Payment Date	:	Dividend of ₹3.00 per equity share of ₹10/- each for the year ended 31st March, 2018 as recommended by the Board of Directors, if declared at the ensuing Annual General Meeting to be held on 27th July, 2018, will be paid within the stipulated time in compliance with the related / applicable statute.
e) Listing on Stock Exchanges	:	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001. National Stock Exchange of India Limited 'Exchange Plaza', C-1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051. The Calcutta Stock Exchange Limited 7, Lyons Range, Kolkata – 700 001.



REPORT ON CORPORATE GOVERNANCE (contd.)

The Company has paid Listing fees for the year 2018-2019 to all the Stock Exchanges.

f) Stock Code :

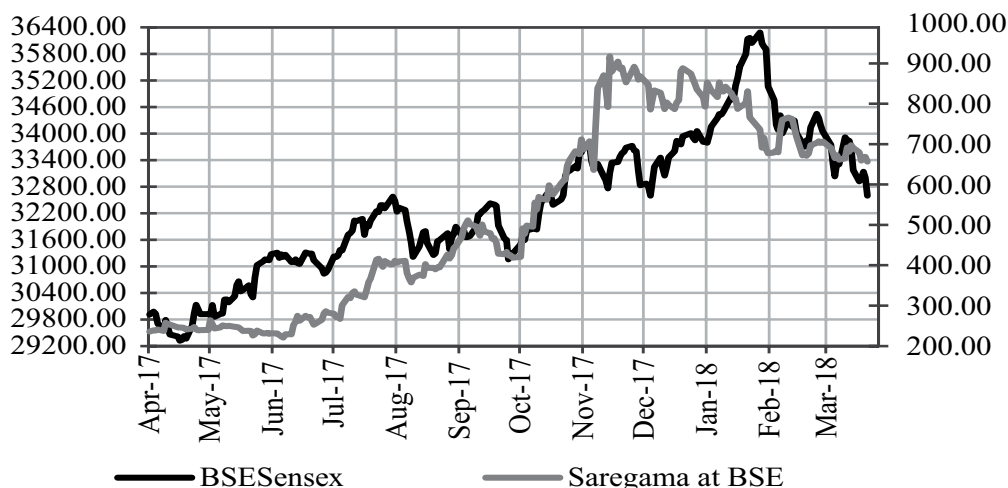
The Calcutta Stock Exchange Limited : 17177 for physical and 10017177 for demat scrips.
 BSE Limited : 532163.
 National Stock Exchange of India Limited : SAREGAMA EQ.
 ISIN Number for NSDL and CDSL : INE979A01017.

g) 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, 2017	272.00	234.30	271.10	234.00	30184.22	29241.48
May, 2017	278.00	222.30	278.35	223.15	31255.28	29804.12
June, 2017	293.90	214.60	293.55	215.45	31522.87	30680.66
July, 2017	434.80	263.20	434.55	265.80	32672.66	31017.11
August, 2017	452.70	342.05	453.20	346.15	32686.48	31128.02
September, 2017	521.80	403.25	522.00	404.50	32524.11	31081.83
October, 2017	709.85	415.00	709.90	417.75	33340.17	31440.48
November, 2017	960.00	627.00	953.55	628.45	33865.95	32683.59
December, 2017	918.00	755.30	920.00	760.00	34137.97	32565.16
January, 2018	876.00	675.05	876.00	678.80	36443.98	33703.37
February, 2018	779.85	642.05	779.25	636.50	36256.83	33482.81
March, 2018	714.80	645.00	716.45	649.95	34278.63	32483.84

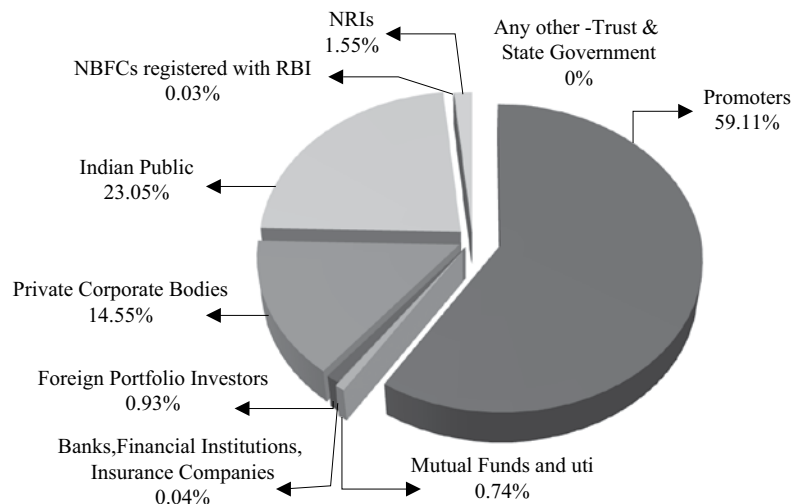
h) Stock Performance of Saregama India Vs. BSE Indices :

Saregama Share Price versus BSE Sensex



REPORT ON CORPORATE GOVERNANCE (contd.)
i) Shareholding pattern as on 31st March, 2018:

Sl. No.	Category	No. of Equity shares held	Percentage %
1	Promoters	1,02,91,759	59.11
2	Mutual Funds and UTI	1,28,832	0.74
3	Banks, Financial Institutions, Insurance Companies	6,831	0.04
4	Foreign Portfolio Investors	1,62,063	0.93
5	Bodies Corporate	25,32,534	14.55
6	Individuals	40,13,362	23.05
7	NBFCs registered with RBI	5,000	0.03
8	NRIs	2,69,874	1.55
9	Any other - Trust	211	0.00
10	State Government	26	0.00
	Total	1,74,10,492	100.00


j) Distribution of Holdings as on 31st March, 2018:

Range	Shares	Folios	Percent Shares	Percent Holders
1 – 500	1420731	23732	8.1602	95.4127
501 – 1000	450496	581	2.5875	2.3359
1001 – 2000	382339	262	2.1960	1.0534
2001 – 3000	208319	84	1.1965	0.3377
3001 – 4000	195759	55	1.1244	0.2211
4001 – 5000	142049	30	0.8159	0.1206
5001 – 10000	393457	54	2.2599	0.2171
10001 – 50000	1272605	57	7.3094	0.2292
50001 – 100000	706558	10	4.0582	0.0402
And Above	12238179	8	70.2920	0.0322
Total	17410492	24873	100.0000	100.0000



REPORT ON CORPORATE GOVERNANCE (contd.)

k) Registrar and Share Transfer Agents :

MCS Share Transfer Agent Limited,
12/1/5, Manoharpukur Road,
Ground Floor, Kolkata – 700 026.
(Contacts: *Mr. Ramesh Agarwal / Mr. P. Basu / Mr. P. Mukherjee*)
Telephone: (033) 4072 4051 - 53
Fax: (033) 4072 4050
Email: mcssta@rediffmail.com

l) 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.

The Company's Registrars, MCS Share Transfer Agent Limited, have adequate infrastructure to serve the shareholders and process the share transfers.

m) Dematerialisation of shares and liquidity :

With effect from 29th May, 2000, the Company's scrip forms part of the SEBI's compulsory demat segment for all investors. To facilitate the investors in having an easy access to the Demat System, the Company has signed up with both the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The connectivity has been established through the Company's Registrars, MCS Share Transfer Agent Limited. As at 31st March, 2018, a total of 1,72,50,152 Equity Shares of the Company, constituting 99.08% of the paid-up share capital, stand dematerialised.

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

o) Plant location :

33, Jessore Road, Dum Dum, Kolkata - 700 028

p) Address for correspondence:

Registered Office	:	33, Jessore Road, Dum Dum, Kolkata - 700 028
Contact Person	:	Ms. Kamana Khetan, Company Secretary Telephone: (033) 2551 2984, 4773 Email: co.sec@saregama.com

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Vikram Mehra
Managing Director
DIN: 03556680

G. B. Aayeer
CFO and Whole-time Director
DIN: 00087760

Date: May 11, 2018
Place: Kolkata

**REPORT ON CORPORATE GOVERNANCE (contd.)**

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, 2018, 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.

Kolkata
11th May, 2018

Vikram Mehra
Managing Director
DIN - 03556680

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

To
The Members
Saregama India Limited

We have examined the compliance of conditions of Corporate Governance by Saregama India Limited ("the Company") for the year ended on March 31, 2018, as stipulated in Schedule V and other relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["SEBI (LODR) Regulations 2015"].

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 our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned SEBI (LODR) Regulations 2015 as applicable.

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

**For MR & Associates
Company Secretaries**

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

Place: Kolkata
Date: 11.05.2018



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SAREGAMA INDIA LIMITED

Report on the Audit of the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Saregama India Limited (“the Company”), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and summary of the significant accounting policies and other explanatory information.

Management’s Responsibility for the Standalone Ind AS Financial Statements

The Company’s Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed 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 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing these financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor’s Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company’s preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company’s Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We are also responsible to conclude on the appropriateness of management’s 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 entity’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor’s report. However, future events or conditions may cause an entity to cease to continue as a going concern.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the 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 2018, its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.



INDEPENDENT AUDITOR'S REPORT (contd.)

Other Matters

The comparative financial information of the Company for the year ended 31 March 2017 and the opening balance sheet as at 1 April 2016 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose reports for the year ended 31 March 2017 and 31 March 2016, dated 25 May 2017 and 25 May 2016 respectively, expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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 Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act;
 - e) On the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act;
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and
 - g) With respect to the other matters to be included in the Auditor's 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 on its financial position in its standalone Ind AS financial statements- refer Note 37 to the standalone Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and
 - iv. The disclosures in the standalone Ind AS 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 since they do not pertain to the financial year ended 31 March 2018. However amounts as appearing in the audited Standalone Ind AS financial statements for the period ended 31 March 2017 have been disclosed.

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

Jayanta Mukhopadhyay
Partner
Membership No.055757

Place: Kolkata
Date: 11 May 2018

ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

Annexure – A to THE INDEPENDENT AUDITOR'S REPORT (Referred to in 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 as disclosed in note 3 to standalone Ind AS financials statements are held in the name of the Company.
- (ii) According to the information and explanations given to us, the inventory, except stock 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 stock 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 Companies Act, 2013 (“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 complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public as per the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the provisions of paragraph 3(v) of the Order are not applicable to the Company.
- (vi) According to the information and explanations given to us, the Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the provisions of paragraph 3(vi) of the Order are not applicable to the Company.
- (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, sales tax, value added tax, service tax, goods and services tax, excise duty, custom duty, cess, income tax and any other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees’ state insurance, sales tax, value added tax, service tax, goods and services tax, excise duty, custom duty, cess, income tax and any other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.

According to the information and explanations given to us, there are no dues of income tax, sales tax, value added tax, entry tax, service tax, excise duty and custom duty which have not been deposited with the appropriate authorities on account of any dispute, except as mentioned below:

Sl. No.	Name of the Statute	Nature of the dues	Amount (₹ in Lakhs)*	Period to which the Amount relates	Forum where the dispute is pending
1	Central Excise Act, 1944	Excise Duty	88.08	1996-97 to 1998-99	Customs, Excise and Service Tax Appellate Tribunal
2	Finance Act, 1994	Service Tax	49.54	2012-13	Additional Commissioner
3	Finance Act, 1994	Service Tax	70.10	2010-11 to 2013-14	Commissioner of Central Excise
4	Central Sales Tax Act, 1956	Sales Tax	25.34	2005-06, 2006-07 to 2012-13	Joint Commissioner
5	Central Sales Tax Act, 1956	Sales Tax	3.20	2014-15	Joint Commissioner

ANNEXURE TO INDEPENDENT AUDITOR'S REPORT (contd.)

Sl. No.	Name of the Statute	Nature of the dues	Amount (₹ in Lakhs)*	Period to which the Amount relates	Forum where the dispute is pending
6	Central Sales Tax Act, 1956	Sales Tax	9.60	1990-91, 2009-10	Deputy Commissioner
7	Central Sales Tax Act, 1956	Sales Tax	178.52	1999-00, 2006-07	Additional Commissioner
8	Central Sales Tax Act, 1956	Sales Tax	2.43	1998-99, 2008-09	Assistant Commissioner of Commercial/sales taxes
9	West Bengal Sales Tax Act, 1994	Sales Tax	30.75	2014-15	Joint Commissioner
10	West Bengal Sales Tax Act, 1994	Sales Tax	97.78	1989-90, 1994-95, 2000-01	Deputy Commissioner
11	Maharashtra Value Added Tax, 2002	Value Added Tax	196.82	2009-10, 2011-12	Deputy Commissioner
12	Delhi Sales Tax Act, 1975	Sales Tax	1.55	1991-92	Deputy Commissioner of Commercial Taxes
13	Tamil Nadu General Sales Tax Act, 1959	Sales Tax	6.75	1986-87 to 1991-92	Tamil Nadu Taxation Special Tribunal
14	Andhra Pradesh General Sales Tax Act, 1957	Sales Tax	3.28	2004-05	Deputy Commissioner
15	Kerala General Sales Tax Act, 1963	Sales Tax	0.35	2002-03	Deputy Commissioner of Commercial Taxes
16	Uttar Pradesh Trade Tax Act, 1948	Sales Tax	2.01	2005-06, 2006-07	Joint Commissioner
17	Uttar Pradesh VAT Act, 2008	Sales Tax	3.46	2013-14	Additional Commissioner, Grade II(Appeal)
18	Central Sales Tax Act, 1956	Sales Tax	1.40	2013-14	Additional Commissioner, Grade II(Appeal)
19	Customs Act, 1962	Custom	52.02	2003-04 to 2007-08	Commissioner of Customs
20	Income Tax Act, 1961	Income tax	607.28	2006-07 2012-13	Commissioner of Income tax Appeals
21	Income Tax Act, 1961	Income tax	30.82	2008-09	Income Tax Appellate Tribunal

* These are net of ₹ 819.22 Lakhs which has been deposited by the Company.

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to the bank. The Company did not have any outstanding debentures or loan from financial institution or government.
- (ix) According to the information and explanations given to us and based on our examination of the records of the Company, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions of paragraph 3(ix) of the Order are not applicable to the Company.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to us and based on our examination of the records, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion and 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 TO INDEPENDENT AUDITOR'S REPORT** *(contd.)*

- (xiii) According to the information and explanation 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 Ind AS 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 him as per Section 192 of the Act. Accordingly, the provisions of paragraph 3(xv) of the Order are not applicable to the Company.
- (xvi) Accordingly to the information and explanation 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 Registration No.:101248W/W-100022

Place: Kolkata
Date: 11 May 2018

Jayanta Mukhopadhyay
Partner
Membership No.055757



ANNEXURE TO INDEPENDENT AUDITOR'S REPORT (contd.)

Annexure - B to THE INDEPENDENT AUDITOR'S REPORT (Referred to in our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Saregama India Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 ('ICAI'). 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. 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 over financial reporting was 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 auditor's judgment, including the assessment of the risks of material misstatement of the 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 system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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



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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting 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.

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

Jayanta Mukhopadhyay
Partner
Membership No.055757

Place: Kolkata
Date: 11 May 2018

STANDALONE BALANCE SHEET AS AT 31 MARCH 2018

Particulars	Notes	(Amount in Rupees lakhs, except otherwise stated)		
		As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
ASSETS				
(1) Non-current assets				
(a) Property, plant and equipment	3	18,812.30	18,928.21	7,432.57
(b) Investment properties	4	241.65	247.18	252.71
(c) Intangible assets	5	614.46	619.26	710.90
(d) Investment in subsidiaries and joint venture	6	1,554.10	1,554.10	1,562.92
(e) Financial assets				
(i) Investments	7.1	12,339.83	10,764.07	6,120.70
(ii) Loans	7.2	344.34	422.26	361.95
(iii) Other financial assets	7.3	0.25	2.50	2.00
(f) Other non-current assets	8	1,113.31	188.35	117.16
Total non-current assets		35,020.24	32,725.93	16,560.91
(2) Current assets				
(a) Inventories	9	4,724.73	989.04	96.66
(b) Financial assets				
(i) Trade receivables	10.1	7,810.11	5,558.64	4,914.60
(ii) Cash and cash equivalents	10.2	635.79	1,557.88	2,371.21
(iii) Bank balances other than (ii) above	10.3	161.79	7.27	5.65
(iv) Loans	10.4	53.67	283.49	14.10
(v) Other financial assets	10.5	4.91	6.30	17.25
(c) Current tax assets (net)	11	4,140.02	4,128.89	3,827.88
(d) Other current assets	12	3,869.07	1,590.23	1,329.11
Total current assets		21,400.09	14,121.74	12,576.46
TOTAL ASSETS		56,420.33	46,847.67	29,137.37
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	13.1	1,741.05	1,740.29	1,740.29
(b) Other equity	13.2	36,469.45	32,361.68	18,658.35
Total equity		38,210.50	34,101.97	20,398.64
Liabilities				
(1) Non-current liabilities				
(a) Employee benefit obligations	14	205.67	190.30	131.17
(b) Deferred tax liabilities (net)	15	4,557.79	4,245.98	1,136.02
Total non-current liabilities		4,763.46	4,436.28	1,267.19
(2) Current liabilities				
(a) Financial liabilities				
(i) Borrowings	16.1	1,291.74	-	-
(ii) Trade payables	16.2	3,864.00	3,706.08	2,884.14
(iii) Other financial liabilities	16.3	3,472.18	1,151.63	1,813.24
(b) Other current liabilities	17	1,160.95	676.87	805.51
(c) Provisions	18	3,584.62	2,616.81	1,870.91
(d) Employee benefit obligations	19	72.88	158.03	97.74
Total current liabilities		13,446.37	8,309.42	7,471.54
TOTAL LIABILITIES		18,209.83	12,745.70	8,738.73
TOTAL EQUITY AND LIABILITIES		56,420.33	46,847.67	29,137.37

The accompanying notes 1 to 47 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 Registration Number: 101248W/W-100022

Jayanta Mukhopadhyay
Partner
Membership No.: 055757

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

V. Mehra
Managing Director
DIN: 03556680

Kamana Khetan
Company Secretary
ACS: 35161

G. B. Aayeer
Director and Chief Financial Officer
DIN: 00087760

Place : Kolkata
Date : 11 May 2018

Place : Kolkata
Date : 11 May 2018

Place : Kolkata
Date : 11 May 2018

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2018

(Amount in Rupees lakhs, except otherwise stated)

Particulars	Notes	Year ended 31 March 2018	Year ended 31 March 2017
I Revenue from operations	20	34,560.85	20,815.61
II Other income	21	1,421.66	1,585.77
III Total income (I+II)		35,982.51	22,401.38
IV Expenses			
Contract manufacturing charges	22	10,516.56	544.70
Cost of production of films, television serials and portal	23	5,222.52	6,324.87
Changes in inventories of finished goods and work-in-progress [(increase)/decrease]	24	(3,735.69)	(892.38)
Employee benefits expense	25	4,863.15	3,896.14
Finance costs	26	336.69	231.83
Depreciation and amortisation expense	27	379.06	406.72
Other expenses	28	14,288.58	10,159.55
Total expenses (IV)		31,870.87	20,671.43
V Profit before tax (III-IV)		4,111.64	1,729.95
VI Tax expense			
- Current tax	29	980.25	1,023.73
- Excess provision of earlier years written back		-	(187.60)
- Deferred tax [charge/(credit)]	15	80.66	(106.38)
Total tax expense		1,060.91	729.75
VII Profit for the year (V-VI)		3,050.73	1,000.20
VIII Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
(a) Remeasurements of post-employment benefit obligations		22.70	(81.40)
(b) Changes in fair value of equity instruments designated at FVOCI		1,575.76	4,643.36
(c) Revaluation gains relating to property, plant and equipment		-	11,640.29
(d) Income tax relating to items that will not be reclassified subsequently to profit or loss	15	(240.77)	(3,193.13)
Other comprehensive income for the year, net of tax		1,357.69	13,009.12
IX Total comprehensive income for the year (VII+VIII)		4,408.42	14,009.32
X Earnings per equity share: [Nominal value per share ₹ 10 (previous year - ₹ 10)]			
Basic (₹)	39	17.53	5.75
Diluted (₹)	39	17.51	5.74

The accompanying notes 1 to 47 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 Registration Number: 101248W/W-100022

Jayanta Mukhopadhyay
Partner
Membership No.: 055757

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

V. Mehra
Managing Director
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DIN: 00087760

Place : Kolkata
Date : 11 May 2018

Place : Kolkata
Date : 11 May 2018

Place : Kolkata
Date : 11 May 2018

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018

(Amount in Rupees lakhs, except otherwise stated)

A. Equity share capital**Description**

As at 1 April 2016
 Changes in equity share capital
 As at 31 March 2017
 Changes in equity share capital
 As at 31 March 2018

Number	Amount
17,402,938	1,740.29
-	-
17,402,938	1,740.29
7,554	0.76
17,410,492	1,741.05

B. Other equity

Particulars	Reserve and surplus				Item of Other Comprehensive Income (OCI)		Total
	General reserve	Securities premium reserve	Share options outstanding reserve	Retained earnings	Revaluation surplus	Equity instruments through OCI	
Balance as at 1 April 2016	693.95	9,079.10	7.83	4,949.93	1,397.59	2,529.95	18,658.35
Profit for the year	-	-	-	1,000.20	-	-	1,000.20
Other comprehensive income (net of tax)	-	-	-	(53.23)	8,954.64	4,107.71	13,009.12
Total comprehensive income for the year	-	-	-	946.97	8,954.64	4,107.71	14,009.32
Final dividend on equity shares for the financial year 2015-16	-	-	-	(261.04)	-	-	(261.04)
Dividend distribution tax on above	-	-	-	(53.14)	-	-	(53.14)
Recognition of share based payment expense	-	-	0.51	-	-	-	0.51
Surplus on revaluation of property, plant and equipment	-	-	-	-	4.96	-	4.96
Transfer from share option reserve on lapse	-	-	-	2.72	-	-	2.72
Balance at 31 March 2017	693.95	9,079.10	8.34	5,585.44	10,357.19	6,637.66	32,361.68

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

Particulars	Reserve and surplus				Item of Other Comprehensive Income (OCI)		Total
	General reserve	Securities premium reserve	Share options outstanding reserve	Retained earnings	Revaluation reserve	Equity instruments through OCI	
Balance as at 1 April 2017	693.95	9,079.10	8.34	5,585.44	10,357.19	6,637.66	32,361.68
Profit for the year	-	-	-	3,050.73	-	-	3,050.73
Other comprehensive income (net of tax)	-	-	-	14.85	(40.76)	1,383.60	1,357.69
Total comprehensive income for the year	-	-	-	3,065.58	(40.76)	1,383.60	4,408.42
Issue of equity shares under Saregama Employee Stock Option Scheme 2013	-	3.32	-	-	-	-	3.32
Final dividend on equity shares for the financial year 2016-17	-	-	-	(261.04)	-	-	(261.04)
Dividend distribution tax on above	-	-	-	(53.14)	-	-	(53.14)
Recognition of share based payment expense	-	-	6.03	-	-	-	6.03
Surplus on revaluation of property, plant and equipment	-	-	-	-	1.77	-	1.77
Transfer from share option reserve on lapse	-	-	-	2.41	-	-	2.41
Balance as at 31 March 2018	693.95	9,082.42	14.37	8,339.25	10,318.20	8,021.26	36,469.45

The accompanying notes 1 to 47 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 Registration Number: 101248W/W-100022

Jayanta Mukhopadhyay
Partner
Membership No.: 055757

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

V. Mehra
Managing Director
DIN: 03556680

Kamana Khetan
Company Secretary
ACS: 35161

G. B. Aayeer
Director and Chief Financial Officer
DIN: 00087760

Place : Kolkata
Date : 11 May 2018

Place : Kolkata
Date : 11 May 2018

Place : Kolkata
Date : 11 May 2018

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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, Mini Carvaan, Music Card, Audio Compact Discs, Digital Versatile Discs and dealing with related music rights. The Company is also engaged in production and sale/teletcast/broadcast of films/Tv Serials, pre-recorded programmes and dealing in film rights. Equity shares of the Company are listed on the BSE Limited (BSE), the National Stock Exchange of India Limited (NSE) and the Calcutta Stock Exchange (CSE). The registered office of the Company is located in Kolkata, West Bengal, India.

The standalone financials statements were approved and authorised for issue with the resolution of the Board of Directors on 11 May 2018.

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 and in preparing the opening Ind AS Balance Sheet as at 1 April 2016 for the purpose of transition to Ind AS, unless otherwise indicated.

(a) Basis of preparation

(i) Statement of compliance

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.

The standalone financial statements up to year ended 31 March 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (Previous GAAP).

The transition from Previous GAAP to Ind AS has been accounted for in accordance with Ind AS 101 “First Time Adoption of Indian Accounting Standards”, with 1 April 2016 being the transition date.

In accordance with Ind AS 101 “First time adoption of Indian Accounting Standard”, the Company has presented a reconciliation from the presentation of standalone financial statements under accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (“Previous GAAP”) to Ind AS of total equity as at 1 April 2016 and 31 March 2017, total comprehensive income and cash flow for the year ended 31 March 2017.”

(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 (₹), 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

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;
- (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

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade discounts, incentives, rebates, value added taxes, goods and service taxes and amounts collected on behalf of third parties.

The Company recognises revenue when the amount of revenue can be measured reliably, there is no continuing effective control over or managerial involvement with the goods and it is probable that future economic benefits will flow to the Company and specific criteria have been met for each of the Company's activities as described below. Revenue from services is recognised in the periods in which the services are rendered. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Sale of products and licence fees

Revenue from sales is recognised on transfer of significant risks and rewards of ownership to customers based on agreement with the customers, the amount of revenue can be measured reliably, there is no continuing effective control over or managerial involvement with the goods and recovery of the consideration is probable. Licence Fees represent income from music rights.

Income from sale of tv software (including free commercial time)

Revenue on sale/licensing of television software are recognised on delivery. The amount recognised is at the predetermined price, the collection of which is reasonably assured.

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 sales: 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/licencing of film rights: Sale of rights is recognised on effective delivery of materials to customers as per terms of the sale/licencing agreements. Sale of overseas rights are recognised on licencing of such rights.

Interest income

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

Dividend income

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

Rental income

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

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

All items of property, plant and equipment other than freehold land are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

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 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 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.

Transition to Ind AS

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

(e) Intangible assets

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

(i) Music Copyrights

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

(ii) Computer Software

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

Amortisation method and year

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

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

Advance 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

As a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor

Lease income from operating leases where the Company is a lessor is recognised as income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

(h) Inventories

Inventories are valued at lower of cost and net realisable value. The cost is determined on weighted average basis, and includes, where applicable, appropriate share of overheads. Provision is made for obsolete / slow moving / defective stocks, where necessary.

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

Digital Films under production are included under 'Work-in-Progress'.

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 assets

(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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)
(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 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 33(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 permitted by Ind AS 109, 'Financial Instruments', which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(iv) Derecognition of financial assets

A financial asset is derecognised only when

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

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) 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 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

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

(n) Financial liabilities

Trade payables and other financial liabilities are initially recognised at the value of the respective contractual obligations. They are subsequently measured at amortised cost. Any discount or premium on redemption / settlement is recognised in the Statement of Profit and Loss as finance cost over the life of the liability using the effective interest method and adjusted to the liability figure disclosed in the Balance Sheet.

Financial liabilities are derecognised when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled and on expiry.

(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.

(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.

(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 recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as 'Employee Benefits Payable' within 'Other financial 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

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 and in the Balance Sheet.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions for employee provident fund to Government administered provident fund scheme, which are defined contribution plans. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in Statement of Profit and Loss in the periods during which the related services are rendered by employees.

(iv) Share-based payments

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

Employee options (equity settled)

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

- Including any market performance conditions (e.g., the entity's share price)
- excluding the impact of any services and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining 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.

Transition to Ind AS

On transition to Ind AS, the cost of Saregama Employee Stock Option Scheme 2013 (Stock Options) is recognised based on the fair value of Stock Options as on the grant date. In terms of the exemptions, the fair value of unvested Stock Options as on the date of transition have been accounted for as part of Reserves. While the fair value of Stock Options granted and vesting after the transition date are recognised in profit and loss.

Share Appreciation Rights (SARs) (cash settled)

The fair value of the amount payable to employees in respect of SARs, which are settled in cash, is recognised as an expense with a corresponding increase in liabilities, over the period that the employees unconditionally become entitled to the payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the SARs. Any changes in the fair value of the liability are recognised in profit or loss.

(s) Royalty

Minimum Guarantee Royalty paid for acquiring rights is recognised as expense within the license period or ten years, whichever is earlier. Royalty on sales, licence fees and other royalty payments are charged to statement of Profit and Loss 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

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

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

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

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.

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax in excess of MAT during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax in excess of MAT during the specified period.

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

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Company, on or before the end of the reporting period but not distributed at the end of the reporting period.

(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

(ii) Diluted earnings per share

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

(x) Rounding of amounts

All amounts disclosed in these 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

Revenue from contracts with customers- Ind AS 115

Ind AS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including Ind AS 18 Revenue and Ind AS 11 Construction Contracts. On 28 March 2018, the Ministry of Corporate Affairs (MCA) has notified that Ind AS 115 will be effective for accounting periods beginning on or after 1 April 2018. The impact of this amendment is yet to be assessed by the Company.

2 CRITICAL ESTIMATES AND JUDGEMENTS

The preparation of standalone financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these standalone financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed at each Balance Sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

This Note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the standalone financial statements.

The areas involving critical estimates or judgements are:

- Employee benefits (estimation of defined benefit obligations) - Note 1(r) 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 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 - Note 1 (j)(iii) and Note 33

Impairment of trade receivables is primarily estimated based on prior experience with and the past due status of receivables, based on factors that include ability to pay and payment history. The assumptions and estimates applied for determining the provision for impairment are reviewed periodically.

- 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(u) and Note 37

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 - Note 1(t) 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(j)(ii),(v) 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (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 2017	Addition/adjustments	Deductions/adjustments	Cost as at 31 March 2018	As at 1 April 2017	Depreciation for the year	Deductions/adjustments	As at 31 March 2018	As at 31 March 2018	As at 31 March 2017
Land - Freehold	18,207.76	-	-	18,207.76	-	-	-	-	18,207.76	18,207.76
Buildings - Freehold	70.59	-	-	70.59	15.75	3.97	-	19.72	50.87	54.84
Leasehold buildings	37.71	-	-	37.71	0.80	0.80	-	1.60	36.11	36.91
Plant and equipment	5.20	-	2.07	3.13	1.99	1.36	2.07	1.28	1.85	3.21
Furniture and fixtures	390.18	6.91	0.19	396.90	63.54	61.38	0.19	124.73	272.17	326.64
Office equipment	430.62	88.91	3.56	515.97	137.63	140.52	3.56	274.59	241.38	292.99
Vehicles	10.06	-	-	10.06	4.20	3.70	-	7.90	2.16	5.86
Total	19,152.12	95.82	5.82	19,242.12	223.91	211.73	5.82	429.82	18,812.30	18,928.21

3.1 Property, plant and equipment

Description	Gross carrying amount				Accumulated depreciation			Carrying amount (net)	
	Cost/ Deemed cost as at 1 April 2016	Addition/adjustments	Deductions/adjustments	Cost as at 31 March 2017	Depreciation for the year	Deductions/adjustments	As at 31 March 2017	As at 31 March 2017	
Land - Freehold	6,567.47	11,640.29	-	18,207.76	-	-	-	18,207.76	
Buildings - Freehold	70.59	-	-	70.59	15.75	-	15.75	54.84	
Leasehold buildings	37.71	-	-	37.71	0.80	-	0.80	36.91	
Plant and equipment	5.20	-	-	5.20	1.99	-	1.99	3.21	
Furniture and fixtures	378.34	11.84	-	390.18	63.54	-	63.54	326.64	
Office equipment	363.20	69.21	1.79	430.62	138.85	1.22	137.63	292.99	
Vehicles	10.06	-	-	10.06	4.20	-	4.20	5.86	
Total	7,432.57	11,721.34	1.79	19,152.12	225.13	1.22	223.91	18,928.21	

3.2 The Company has chosen the revaluation model for land and cost model for other items of PPE as its accounting policy. Accordingly, Company's land was revalued during the previous year by registered valuer using market approach. Resultant incremental value amounting to ₹ 11,640.29 lakhs were added to the book value of related land with corresponding credit to OCI and other equity.

3.3 Title deeds of the immovable properties as set out in the above table are in the name of the Company.

3.4 The Company has borrowings from banks which carry charge over certain of the above property, plant and equipment. (Refer Note 16.1 for details)

3.5 Aggregate amount of depreciation has been included under 'Depreciation and amortisation expense' in the Statement of Profit and Loss (Refer Note 27).

3.6 Company has elected to measure all its property, plant and equipment at the previous GAAP carrying amount as at 31 March 2016 as its deemed cost (Gross carrying amount) on the date of transition to Ind AS, i.e, 1 April 2016. The carrying value of PPE as per IGAAP is mentioned below:

Property, plant and equipment

Description	Gross carrying amount	Accumulated depreciation	Carrying amount (net)
	Cost/Valuation as at 31 March 2016	As at 31 March 2016	As at 31 March 2016
Land - Freehold	6,567.47	-	6,567.47
Buildings - Freehold *	771.96	448.66	323.30
Leasehold buildings	70.60	32.89	37.71
Plant and equipment	1,769.15	1,763.95	5.20
Furniture and fixtures	801.85	423.51	378.34
Office equipment	1,892.98	1,529.78	363.20
Vehicles	63.79	53.73	10.06
Total	11,937.80	4,252.52	7,685.28

*Building - Freehold includes carrying amount ₹ 252.71 Lakhs reclassified to Investment Property on transition to Ind AS. (Refer Note 4)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

4 INVESTMENT PROPERTIES

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Cost or deemed cost (gross carrying amount)			
At the beginning of the year	252.71	252.71	-
Reclassification from Building - freehold (Refer Note 3.6)	-	-	252.71
At the end of the year	252.71	252.71	252.71
Accumulated depreciation			
At the beginning of the year	5.53	-	-
Depreciation charge during the year	5.53	5.53	-
At the end of the year	11.06	5.53	-
Carrying amount (net)	241.65	247.18	252.71

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

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Rental income	21.75	4.38
Profit from investment properties before depreciation	21.75	4.38
Depreciation	5.53	5.53
Profit/(loss) from investment properties	16.22	(1.15)

(ii) Fair value

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Investment properties	1,828.04	1,776.66	1,733.36

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.

5 INTANGIBLE ASSETS

Description	Gross carrying amount				Accumulated amortisation and impairment							Carrying amount (net)	
	Cost as at 1 April 2017	Addition/ adjust- ments	Deduc- tions/ adjust- ments	Cost as at 1 April 2018	Amor- tisa- tion as at 1 April 2017	Impair- ment as at 1 April 2017	Amortisa- tion for the year	Impair- ment for the year	Deduc- tions/ adjust- ments	Impair- ment as at 1 April 2018	Amor- tisa- tion as at 1 April 2018	As at 31 March 2018	As at 31 March 2017
Copyrights-Music	778.45	156.75	-	935.20	136.49	45.83	149.34	-	-	45.83	285.83	603.54	596.13
Computer software	61.35	0.25	-	61.60	38.22	-	12.46	-	-	-	50.68	10.92	23.13
Total	839.80	157.00	-	996.80	174.71	45.83	161.80	-	-	45.83	336.51	614.46	619.26

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

5.1 INTANGIBLE ASSETS

Description	Gross carrying amount				Accumulated amortisation and impairment					Carrying amount (net)
	Cost/ Deemed cost as at 1 April 2016	Addition/ adjustments	Deductions/ adjustments	Cost as at 31 March 2017	Amortisation For the Year	Impairment for the year	Deductions / adjustments	Amortisation as at 31 March 2017	Impairment as at 31 March 2017	As at 31 March 2017
Copyrights-Music	658.90	119.55	-	778.45	136.49	45.83	-	136.49	45.83	596.13
Computer Software	52.00	11.14	1.79	61.35	39.57	-	1.35	38.22	-	23.13
Total	710.90	130.69	1.79	839.80	176.06	45.83	1.35	174.71	45.83	619.26

5.2 The amortization expense of intangible assets have been included under 'Depreciation and Amortization Expense' in the Statement of Profit and Loss. (Refer Note 27)

5.3 Company has elected to measure all its intangible assets at the previous GAAP carrying amount as at 31 March 2016 as its deemed cost (Gross carrying amount) on the date of transition to Ind AS, i.e. 1 April 2016. The carrying value of Intangible assets as per IGAAP is mentioned below:

Intangible assets

Description	Gross carrying amount	Accumulated amortisation	Carrying amount (net)
	Cost as at 31 March 2016	As at 31 March 2016	As at 31 March 2016
Copyrights-Music	1,340.43	681.53	658.90
Feature film	3,759.72	3,759.72	-
Computer software	600.28	548.28	52.00
Total	5,700.43	4,989.53	710.90

6 INVESTMENT IN SUBSIDIARIES AND JOINT VENTURE

Particulars	Face value of each unit	Number of shares as at 31 March 2018	Number of shares as at 31 March 2017	Number of shares as at 1 April 2016	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Investment in joint venture at cost (Unquoted)							
Saregama Regency Optimedia Private Limited (Joint venture) #	₹ 10	1,459,584	1,459,584	1,459,584	-	-	-
Investment in subsidiary at cost (Unquoted)							
a) Saregama Plc.	1 pence	7,629,072	7,629,072	7,629,072	8.82	8.82	8.82
Less: Provision for impairment in the value of Investment					(8.82)	(8.82)	-
b) RPG Global Music Limited	US \$ 1	2,314,885	2,314,885	2,314,885	-	-	8.82
c) Kolkata Metro Networks Limited	₹ 10	17,050,000	17,050,000	17,050,000	1,554.10	1,554.10	1,554.10
d) Open Media Network Private Limited	₹ 10	1,075,600	1,075,600	1,075,600	-	-	-
Aggregate carrying value of unquoted investments					1,554.10	1,554.10	1,562.92
Aggregate provision for impairment in the value of investments					8.82	8.82	-

a) The above investments are carried at Deemed Cost based on previous GAAP carrying amount as at 1 April 2016. The aggregate deemed cost of those investments is ₹ 1,562.92 lakhs

b) The aggregate adjustment to the carrying amounts reported under previous GAAP is ₹ Nil

Under liquidation effective 19 September 2016, referred to in Note 41

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

7.1 NON-CURRENT INVESTMENTS

Particulars	Face value of each unit	Number of shares as at 31 March 2018	Number of shares as at 31 March 2017	Number of shares as at 1 April 2016	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Investments carried at fair value through other comprehensive income							
Quoted - fully paid equity shares in other companies							
CESC Limited	₹ 10	1,259,988	1,259,988	1,259,988	12,174.00	10,599.02	5,955.95
Phillips Carbon Black Limited	₹ 10	100	100	100	1.09	0.33	0.10
Harrisons Malayalam Limited	₹ 10	100	100	100	0.07	0.08	0.05
CFL Capital Financial Services Limited	₹ 10	100	100	100	0.02	0.02	0.02
STEL Holdings Limited	₹ 10	100	100	100	0.10	0.07	0.03
Unquoted - fully paid equity shares in other companies							
Spencer and Company Limited	₹ 9	200	200	200	0.39	0.39	0.39
Woodlands Multispeciality Hospital Limited	₹ 10	2,250	2,250	2,250	3.76	3.76	3.76
Timbre Media Private Limited	₹ 10	230,000	230,000	230,000	160.40	160.40	160.40
Total non-current investments					12,339.83	10,764.07	6,120.70
Aggregate carrying value of quoted investments and market value thereof					12,175.28	10,599.52	5,956.15
Aggregate carrying value of unquoted investments					164.55	164.55	164.55
Aggregate provision for impairment in the value of investments					-	-	-

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

Particulars	Fair value as at 31 March 2018	Dividend income recognised during 2017-18	Fair value as at 31 March 2017	Dividend income recognised during 2016-17	Fair value as at 1 April 2016
Investment in CESC Limited	12,174.00	151.19	10,599.02	126.00	5,955.95
Investment in Phillips Carbon Black Limited	1.09	0.01	0.33	0.01	0.10
Investment in Harrisons Malayalam Limited	0.07	-	0.08	-	0.05
Investment in CFL Capital Financial Services Limited	0.02	-	0.02	-	0.02
Investment in STEL Holdings Limited	0.10	-	0.07	-	0.03
Total	12,175.28	151.20	10,599.52	126.01	5,956.15

7.2 LOANS

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Security deposits			
Unsecured, considered good	344.34	422.26	361.83
Loan to employees			
Unsecured, considered good	-	-	0.12
Total loans	344.34	422.26	361.95

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

7.3 OTHER FINANCIAL ASSETS (NON - CURRENT)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Bank deposits with maturity more than 12 months*			
Unsecured, considered good	0.25	2.50	2.00
Total other financial assets (non - current)	0.25	2.50	2.00

* Lodged with Government authority ₹ 0.25 Lakh ; [(31 March 2017 - ₹ 0.25 Lakhs); (1 April 2016 - ₹ Nil)]

8 OTHER NON - CURRENT ASSETS

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Capital advances			
Unsecured, considered good	984.88	32.50	33.59
Unsecured, considered doubtful	12.75	14.88	14.88
Less: Provision for doubtful advances	(12.75)	(14.88)	(14.88)
	984.88	32.50	33.59
Other advance			
Prepaid expenses			
Unsecured, considered good	128.43	155.85	83.57
Total other non - current assets	1,113.31	188.35	117.16

9 INVENTORIES [Refer Note:1(h)]

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Finished goods			
Untelecasted television serials/films	110.47	124.84	83.60
Music card/carvaan/others	3,464.84	146.27	13.06
Work in progress			
Digital films under production	1,149.42	717.93	-
Total inventories	4,724.73	989.04	96.66

10 FINANCIAL ASSETS (CURRENT)**10.1 TRADE RECEIVABLES**

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Trade receivables			
Unsecured, considered good	7,810.11	5,558.64	4,914.60
Unsecured, considered doubtful	1,410.16	1,949.62	1,807.97
Less: Provision for doubtful debts	(1,410.16)	(1,949.62)	(1,807.97)
Total trade receivables*	7,810.11	5,558.64	4,914.60

*includes

- ₹ 701.03 Lakhs (net of provision ₹ 96.89 Lakhs); 31 March 2017 - ₹ 489.92 Lakhs (net of provision ₹ 107.73 Lakhs) ; 1 April 2016 - ₹ 448.44 Lakhs (net of provision ₹ 136.10 Lakhs) due from Saregama Plc (subsidiary company);
- ₹ 69.33 Lakhs (net of provision ₹ Nil); 31 March 2017 - ₹ Nil (net of provision ₹ Nil) ; 1 April 2016 - ₹ Nil (net of provision ₹ Nil) due from Saregama INC (Step-down subsidiary company) ;
- ₹ Nil (net of provision ₹ 1.76 Lakhs); 31 March 2017 - ₹ 0.88 Lakhs (net of provision ₹ Nil) ; 1 April 2016 - ₹ Nil (net of provision ₹ Nil) due from Open Media Network Private Limited (subsidiary company).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

10.2 CASH AND CASH EQUIVALENTS

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Cash on hand	0.88	0.87	4.21
Cheques on hand	-	0.14	0.91
Bank balances			
Current accounts	634.91	556.87	666.09
Demand deposits with banks (upto 3 months maturity)*	-	1,000.00	1,700.00
Total cash and cash equivalents	635.79	1,557.88	2,371.21

* (Include ₹ Nil held as margin money against letter of credit facility; 31 March 2017: ₹ 300 Lakhs ; 1 April 2016: ₹ Nil)

Disclosures relating to Specified Bank Notes*(SBNs) held and transacted during the period from 8 November 2016 to 30 December 2016.

Particulars	SBNs*	Other Denomination Notes	Total
Closing cash in hand as on 8 November 2016	4.49	2.14	6.63
(+) Permitted Receipts	-	8.46	8.46
(-) Permitted Payment	-	(8.90)	(8.90)
(-) Amount deposited in Banks	(4.49)	-	(4.49)
Closing cash in hand as on 30 December 2016	-	1.70	1.70

* Specified Bank Notes (SBNs) mean the bank notes of denominations of the existing series of the value of five hundred and one thousand rupees as defined under the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs no.S.O.3407(E) dated the 8 November 2016.

10.3 OTHER BANK BALANCES

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Deposits (with maturity more than 3 months but less than 12 months)	-	-	0.25
Earmarked balances with bank			
Deposits (with maturity more than 3 months but less than 12 months) #	152.58	-	-
Unpaid dividend accounts @	9.21	7.27	5.40
Total other bank balances	161.79	7.27	5.65

@ Earmarked for payment of unclaimed dividend

Include ₹ 152.58 Lakhs deposited with Delhi Court [(31 March 2017: ₹ Nil) ; (1 April 2016: ₹ Nil)]

10.4 LOANS

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Loans to related parties (Refer note 35)			
Unsecured, considered good	42.57	15.66	-
Unsecured, considered doubtful	4,948.70	3,461.48	2,107.80
Less: Provision for doubtful advances	(4,948.70)	(3,461.48)	(2,107.80)
	42.57	15.66	-
Loan to employees			
Unsecured, considered good	11.10	9.75	14.10
Amount held by director in trust for the Company [Refer Note 44(c)]			
Unsecured, considered good	-	258.08	-
Total loans	53.67	283.49	14.10

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

10.5 OTHER FINANCIAL ASSETS

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Interest accrued on deposits with banks	4.91	6.30	17.25
Total other financial assets	4.91	6.30	17.25

11 CURRENT TAX ASSETS (NET)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Advance payment of Income Tax and Tax Deducted at Source [net of Provision for Taxation ₹ 4,953.60 Lakhs; (31 March 2017 - ₹ 3,973.35 Lakhs : 1 April 2016 - ₹ 3165.38 Lakhs)]	4,140.02	4,128.89	3,827.88
Total current tax assets (net)	4,140.02	4,128.89	3,827.88

12 OTHER CURRENT ASSETS

(Unsecured, considered good unless otherwise stated)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Minimum guarantee royalty advances	622.45	102.15	199.33
Royalty advances			
Unsecured considered good	191.01	225.27	296.72
Unsecured considered doubtful	432.44	434.05	398.78
Less: Provision for doubtful advances	(432.44)	(434.05)	(398.78)
	191.01	225.27	296.72
Advance against TV projects /films			
Unsecured considered good	51.78	356.71	5.51
Unsecured considered doubtful	175.21	190.21	190.21
Less: Provision for doubtful advances	(175.21)	(190.21)	(190.21)
	51.78	356.71	5.51
Prepaid expenses			
Unsecured considered good	277.92	317.95	361.02
Unsecured considered doubtful	44.06	125.19	125.19
Less: Provision for doubtful advances	(44.06)	(125.19)	(125.19)
	277.92	317.95	361.02
Amount recoverable from custom authorities	17.69	-	-
Advance to artist / for event			
Unsecured considered good	521.03	11.99	24.31
Unsecured considered doubtful	155.77	427.34	427.35
Less: Provision for doubtful advances	(155.77)	(427.34)	(427.35)
	521.03	11.99	24.31
Advance against supply of goods	974.15	81.22	-
Balances with government authorities	1,192.96	474.86	422.14
Advance payment of fringe benefit tax (net of Provision ₹ 147.87 Lakhs : 31 March 2017- ₹ 147.87 Lakhs ; 1 April 2016- ₹ 147.87 Lakhs)	20.08	20.08	20.08
Total other current assets	3,869.07	1,590.23	1,329.11

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

13 EQUITY SHARE CAPITAL AND OTHER EQUITY**13.1 EQUITY SHARE CAPITAL**

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Authorised						
Ordinary shares of ₹ 10 each	25,000,000	2,500.00	25,000,000	2,500.00	25,000,000	2,500.00
Issued						
Ordinary shares of ₹ 10 each	17,410,492	1,741.05	17,402,938	1,740.29	17,402,938	1,740.29
Subscribed and fully paid up						
Ordinary shares of ₹ 10 each	17,410,492	1,741.05	17,402,938	1,740.29	17,402,938	1,740.29

Reconciliation of number of ordinary shares outstanding

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
As at the beginning of the year	17,402,938	1,740.29	17,402,938	1,740.29	17,402,938	1,740.29
Add: Issue of shares on exercise of Options	7,554	0.76	-	-	-	-
As at the end of the year	17,410,492	1,741.05	17,402,938	1,740.29	17,402,938	1,740.29

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 March 2017 - 5,290; 1 April 2016-5,290] equity shares (relating to cases under litigation/ pending clearance from the concerned authorities) are kept in abeyance as on 31 March 2018.

Rights, preferences and restrictions attached to shares

The Company has only one class of equity shares having a par value of ₹ 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 2018		As at 31 March 2017		As at 1 April 2016	
	Number of shares held	Amount	Number of shares held	Amount	Number of shares held	Amount
Rainbow Investments Limited (up to 28 March 2017)	-	-	-	-	10,291,599	1,029.16
Composure Services Private Limited (w.e.f. from 29 March 2017)	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 Company

Name of the shareholder	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Number of shares held	Holding percentage	Number of shares held	Holding percentage	Number of shares held	Holding percentage
Rainbow Investments Limited	-	-	-	-	10,291,599	59.14%
Composure Services Private Limited	10,291,599	59.14%	10,291,599	59.14%	-	-
Reliance Capital Limited	-	-	-	-	1,188,000	6.83%
Reliance Spot Exchange Infrastructure Limited	-	-	1,188,000	6.83%	-	-

Stock option schemes and stock appreciation rights

Information relating to Employee Option Plan, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in Note 31.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

13.2 OTHER EQUITY

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
General reserve	693.95	693.95	693.95
Securities premium reserve	9,082.42	9,079.10	9,079.10
Revaluation reserve	10,318.20	10,357.19	1,397.59
Share option outstanding reserve	14.37	8.34	7.83
Retained earnings	8,339.25	5,585.44	4,949.93
Equity Instrument through OCI	8,021.26	6,637.66	2,529.95
Total reserves and surplus	36,469.45	32,361.68	18,658.35

- (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 2018	As at 31 March 2017
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 2018	As at 31 March 2017
Balance at the beginning of the year	9,079.10	9,079.10
Add: 7754 Shares issue @ ₹ 43.95 per Share on exercise of Options	3.32	-
Balance at the end of the year	9,082.42	9,079.10

- (iii) **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 2018	As at 31 March 2017
Balance at the beginning of the year	10,357.19	1,397.59
Surplus on revaluation of land	-	11,640.29
Deferred tax on revaluation of land	(40.76)	(2,685.65)
Deferred tax on revaluation of PPE	1.77	4.96
Balance at the end of the year	10,318.20	10,357.19

- (iv) **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 2018	As at 31 March 2017
Balance at the beginning of the year	8.34	7.83
Employee stock option expense	8.44	8.18
Reversal on account of forfeiture	(2.41)	(7.67)
Balance at the end of the year	14.37	8.34

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

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

Particulars	As at 31 March 2018	As at 31 March 2017
Balance at the beginning of the year	5,585.44	4,949.93
Net profit for the period	3,050.73	1,000.20
<i>Items of other comprehensive income recognised directly in retained earnings</i>		
- Remeasurements of post-employment benefit obligation, net of tax	14.85	(53.23)
Dividends paid	(261.04)	(261.04)
Dividends distribution tax paid	(53.14)	(53.14)
Others	2.41	2.72
Balance at the end of the year	8,339.25	5,585.44

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

Particulars	As at 31 March 2018	As at 31 March 2017
Balance at the beginning of the year	6,637.66	2,529.95
Changes in fair value of FVOCI equity instruments during the year	1,575.76	4,643.36
Deferred tax on above	(192.16)	(535.65)
Balance at the end of the year	8,021.26	6,637.66

14 EMPLOYEE BENEFIT OBLIGATIONS (NON-CURRENT)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Leave encashment obligations	205.67	190.30	131.17
Total employee benefit obligations (non-current)	205.67	190.30	131.17

15 DEFERRED TAX LIABILITY (NET)

The balance comprises temporary differences attributable to:

	Balance as at 1 April 2017	Recognised to profit or loss during the year	Recognised to/ reclassified from OCI	Recognised directly to other equity	Balance as at 31 March 2018
Deferred tax liability					
Fair value changes on financial assets-equity instruments	886.95	-	192.16	-	1,079.11
Property, plant and equipment, intangible assets and investment property	4,282.85	(21.02)	40.76	(1.77)	4,300.82
Provision for royalty on license fees	29.25	(2.18)	-	-	27.07
Total deferred tax liability	5,199.05	(23.20)	232.92	(1.77)	5,407.00
Deferred tax asset					
Allowance for doubtful debts-trade receivable and advances	674.73	(181.96)	-	-	492.77
Unamortised expenditure allowable for tax purpose in subsequent years	233.07	(64.49)	-	-	168.58
Stock appreciation rights	45.27	-	-	-	45.27
Minimum alternate tax credit	-	142.59	-	-	142.59
Others	-	-	(7.85)	7.85	-
Total deferred tax asset	953.07	(103.86)	(7.85)	7.85	849.21
Net deferred tax liability	4,245.98	80.66	240.77	(9.62)	4,557.79

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

	Balance as at 1 April 2016	Recognised to profit or loss during the year	Recognised to/ reclassified from OCI	Recognised directly to other equity	Balance as at 31 March 2017
Deferred tax liability					
Fair Value changes on financial assets-equity instruments	351.30	-	535.65	-	886.95
Property, plant and equipment, intangible assets and investment properties	1,619.06	(16.90)	2,685.65	(4.96)	4,282.85
Provision for royalty on license fees	156.14	(126.89)	-	-	29.25
Total deferred tax liability	2,126.50	(143.79)	3,221.30	(4.96)	5,199.05
Deferred tax asset					
Allowance for doubtful debts-trade receivable and advances	625.70	49.03	-	-	674.73
Unamortised expenditure allowable for tax purpose in subsequent years	321.86	(88.79)	-	-	233.07
Stock appreciation rights	42.92	2.35	-	-	45.27
Others	-	-	28.17	(28.17)	-
Total deferred tax asset	990.48	(37.41)	28.17	(28.17)	953.07
Net deferred tax liability	1,136.02	(106.38)	3,193.13	23.21	4,245.98

(Amount in Rupees lakhs, except otherwise stated)

16 FINANCIAL LIABILITIES (CURRENT)**16.1 BORROWINGS**

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Secured			
Loan repayable on demand from banks	1,291.74	-	-
Total borrowings	1,291.74	-	-

Cash Credit from Banks bearing interest rate between 9.25% to 10.70% per annum 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 stocks of finished goods, work in progress, 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), (9), (10.1), (10.2), (10.4) and (10.5) for details of carrying amount of assets pledged as security for secured borrowings and Note 33 for information about liquidity risk and market risk on borrowings.

16.2 TRADE PAYABLES

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Trade payables			
a) Total outstanding dues of micro enterprises and small enterprises (refer below)	0.94	0.73	0.56
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	3,863.06	3,705.35	2,883.58
Total trade payables	3,864.00	3,706.08	2,884.14

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (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 2018	As at 31 March 2017	As at 1 April 2016
(a) The Principal amount and interest due thereon remaining unpaid to suppliers under MSMED as at the end of accounting year			
Principal	0.03	0.03	0.03
Interest	0.07	0.06	0.05
(b) The amount of interest paid in terms of Section 16 of MSMED along with the amount of payment made to suppliers beyond the appointed day during the year			
Principal	-	-	0.04
Interest	-	-	0.27
(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	-	-	0.07
(d) The amount of interest accrued and remaining unpaid at the end of the year [including ₹ 0.70 Lakhs (31 March 2017- ₹ 0.53 Lakh; 1 April 2016 - ₹ 0.41 Lakh) being interest outstanding as at the beginning of the accounting year]	0.91	0.70	0.53
(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	0.21	0.17	0.12

16.3 OTHER FINANCIAL LIABILITIES

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Security deposit			
Security deposit from dealers and others	51.83	51.48	55.54
Security deposit from General Insurance Corporation of India on sub lease of property	18.01	18.01	18.01
Unpaid dividends*	9.21	7.27	5.40
Others			
Dealer's incentive	617.02	-	39.67
Liabilities for expenses	994.83	285.57	406.53
Employee benefits payable	1,585.05	724.03	1,226.41
Interest accrued and due on deposits from dealers	43.65	40.27	36.68
Advance against proposed sale of certain fixed assets	-	25.00	25.00
Liability towards deposits received under settlement	152.58	-	-
Total other financial liabilities	3,472.18	1,151.63	1,813.24

* 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 2018 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

17 OTHER CURRENT LIABILITIES

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Income received in advance	391.11	431.75	627.49
Advance from customers	487.57	20.58	14.58
Amount payable to Government authorities	282.27	224.54	163.44
Total other current liabilities	1,160.95	676.87	805.51

18 PROVISIONS

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Other provisions			
Provision for royalty on license fees (refer note 18.1)	3,584.62	2,616.81	1,870.91
Total provisions	3,584.62	2,616.81	1,870.91

18.1 Movement of provision for royalty on license fees

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Carrying amount at the beginning of the year	2,616.81	1,870.91	1,686.87
Charged/(credited) to profit or loss			
created during the year	1,937.15	1,685.77	1,458.71
discounting on provision created	(253.44)	(289.38)	(451.18)
unwinding of discount on provision created	260.50	204.87	-
unused amounts reversed	(93.07)	-	(38.25)
Amounts utilised during the year	(883.33)	(855.36)	(785.24)
Carrying amount at the end of the year	3,584.62	2,616.81	1,870.91

19 EMPLOYEE BENEFIT OBLIGATIONS (CURRENT)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Leave encashment obligations	46.03	42.35	32.31
Gratuity (refer note 30)	26.85	115.68	65.43
Total employee benefit obligations (Current)	72.88	158.03	97.74

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

20 REVENUE FROM OPERATIONS

	Year ended 31 March 2018		Year ended 31 March 2017	
Sale of products				
Audio compact discs	18.79		41.36	
Digital versatile discs	11.34		19.38	
Music card	479.59		537.78	
Carvaan	13,376.25		-	
Mini carvaan	743.94		-	
Others	-	14,629.91	16.55	615.07
Sale of services				
Income from television serials (including free commercial time)	4,935.04		6,692.49	
Income from distribution rights of digital films	358.06		-	
Licence fees	14,633.31		13,468.72	
Others	-	19,926.41	17.48	20,178.69
Other operating revenue		4.53		21.85
Total revenue from operations		34,560.85		20,815.61

21 OTHER INCOME

	Year ended 31 March 2018		Year ended 31 March 2017	
Liabilities/Provisions no longer required written back	353.00		466.72	
Recovery of excess remuneration [Refer Note 44(c)]	-		258.08	
Provision for doubtful debts/ advances no longer required written back	82.58		28.50	
Interest income under the effective interest method on: (Gross)				
- on bank deposits	22.57		88.09	
- on security deposits	2.59		2.49	
- on income tax refund	28.61		-	
- on inter corporate deposits/loans	424.53		284.01	
- on unwinding of discount on financial assets	41.17		34.07	
- on discounting of financial liabilities/provision	253.44		289.38	
Dividend income from equity investments designated at fair value through Other Comprehensive Income*	151.20		126.01	
Profit on sale of property, plant and equipment	0.14		0.53	
Rent income	21.75		4.38	
Net gain on foreign currency transactions/ translation	34.32		-	
Other non-operating income	5.76		3.51	
Total other income		1,421.66		1,585.77

* All dividends from equity investments designated at FVOCI relate to investments held at the end of the reporting year.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

22 CONTRACT MANUFACTURING CHARGES

	Year ended 31 March 2018	Year ended 31 March 2017
Contract manufacturing charges (refer note 22.1)	10,516.56	544.70
Total Contract manufacturing charges	10,516.56	544.70

22.1 Details of contract manufacturing charges

	Year ended 31 March 2018	Year ended 31 March 2017
Contract manufacturing charges		
- Audio compact discs	12.40	37.01
- Digital versatile discs	7.00	15.69
- Music card	271.71	485.45
- Carvaan	9,666.51	-
- Mini carvaan	558.94	-
- Others	-	6.55
Total	10,516.56	544.70

23 COST OF PRODUCTION OF FILMS, TELEVISION SERIALS AND PORTAL

	Year ended 31 March 2018	Year ended 31 March 2017
Cost of production of television serials/digital film (Refer Note 23.1)	5,218.29	6,126.26
Cost of portal development	4.23	198.61
Total cost of production of films, television serials and portal	5,222.52	6,324.87

23.1 Details of cost of production of films, television serials

	Year ended 31 March 2018	Year ended 31 March 2017
Telecast fees	1,062.75	1,190.40
Payment to artistes, directors, script-writers, etc.	1,065.10	1,408.38
Food, lodging and travel	259.60	285.68
Set, properties and equipment charges	262.73	483.58
Other production expenses	2,150.99	2,716.98
Increase in inventories of television serials	417.12	41.24
Total	5,218.29	6,126.26

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

24 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

	Year ended 31 March 2018		Year ended 31 March 2017	
Opening stock				
- Finished goods- Utelecasted television serials	124.84		83.60	
- Finished goods- Music card	146.27		13.06	
- Work in progress- Digital films under production	717.93	989.04	-	96.66
Less: Closing stock				
- Finished goods- Utelecasted television serials	110.47		124.84	
- Finished goods- Music card/Carvaan and others	3,464.84		146.27	
- Work in progress- Digital films under production	1,149.42	4,724.73	717.93	989.04
Net increase		(3,735.69)		(892.38)

25 EMPLOYEE BENEFITS EXPENSE

	Year ended 31 March 2018		Year ended 31 March 2017	
Salaries and wages		4,486.32		3,556.54
Share based payment expense		8.44		3.23
Contributions to:				
Provident fund	120.62		103.45	
Superannuation fund	12.03		10.96	
Gratuity fund	68.01		47.14	
Employee's State Insurance Scheme	2.75	203.41	4.46	166.01
Staff welfare expenses		164.98		170.36
Total employee benefits expense		4,863.15		3,896.14

26 FINANCE COST

	Year ended 31 March 2018		Year ended 31 March 2017	
Interest expense on financial liabilities measured at amortised cost:				
- on loan and others		52.50		15.21
- unwinding of discount on financial liabilities/provision		260.50		204.87
Other borrowing costs		23.69		11.75
Total finance costs		336.69		231.83

27 DEPRECIATION AND AMORTISATION EXPENSE

	Year ended 31 March 2018		Year ended 31 March 2017	
Depreciation on PPE		217.26		230.66
Amortisation on intangible asset		161.80		176.06
Total depreciation and amortisation expense		379.06		406.72

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

28 OTHER EXPENSES

	Year ended 31 March 2018	Year ended 31 March 2017
Power and fuel	113.71	144.69
Rent	315.54	313.91
Repairs - buildings	16.19	21.58
- machinery	1.35	3.60
- others	20.98	43.61
Royalties	3,368.64	2,035.62
Recording expenses	126.20	685.58
Carriage, freight and forwarding charges	918.86	29.31
Rates and taxes	96.57	50.87
Insurance	20.82	8.77
Travel and conveyance	445.40	464.75
Advertisement and sales promotion	4,010.24	2,348.13
Printing and communication expenses	313.54	405.35
Provision for diminution in carrying amount of long term investments	-	8.82
Bad debts/advances written off (refer note 28.2)	52.66	19.70
Provision for doubtful debts and advances [including provision for subsidiary company ₹ 1,488.74 Lakhs (previous year - ₹ 1,353.68 Lakhs)]	2,132.56	1,559.10
Provision for impairment of copyright - Music	-	45.83
Loss on disposal of PPE	-	1.01
Legal/consultancy expenses	1,406.84	915.03
Net Loss on foreign currency transactions and translation	-	166.70
Corporate social responsibility expenses (refer note 28.1)	57.00	57.21
Payment to auditors (refer note 38)	52.41	59.78
Miscellaneous expense	819.07	770.60
Total other expense	14,288.58	10,159.55
28.1 Corporate social responsibility expenses		
(a) Gross Amount required to be spent by the Company during the year	56.96	57.21
(b) Amount paid to RP-Sanjiv Goenka Group CSR Trust towards purposes other than construction/acquisition of assets	57.00	57.21
28.2 Include bad debts / advances written off of ₹ 1,473.65 Lakhs offset with provision for doubtful debts / advances no longer required written back of the equivalent amount.		

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

29 TAX EXPENSES (REFER NOTE 46)**A. Tax expense recognised in the Statement of Profit and Loss**

	Year ended 31 March 2018	Year ended 31 March 2017
Current tax		
Current tax on profits for the year	980.25	1,023.73
Excess provision for earlier years written back	-	(187.60)
Total current tax	980.25	836.13
Deferred tax		
Decrease/ (increase) in deferred tax assets	103.86	37.41
(Decrease)/ increase in deferred tax liabilities	(23.20)	(143.79)
Total deferred tax expense charge/(credit)	80.66	(106.38)
Total tax expense	1,060.91	729.75

B. Amount recognised in other comprehensive income

	Year ended 31 March 2018	Year ended 31 March 2017
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		
Remeasurement of post employment benefit obligation	(7.86)	28.17
Changes in Fair value of equity instruments designated at FVOCI	(192.16)	(535.65)
Revaluation gains relating to property, plant and equipment	(40.75)	(2,685.65)
Total	(240.77)	(3,193.13)

C. Reconciliation of tax expense

	Year ended 31 March 2018	Year ended 31 March 2017
Profit before tax	4,111.64	1,729.95
Income tax expense calculated @ 34.608% (31 March 2017- 34.608%)	1,422.96	598.70
Adjustments:		
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Items not deductible for tax purposes	552.34	510.35
Effect of income not taxable	(181.59)	(193.24)
Other items	2.03	1.54
Impact of change in tax rate	(6.63)	-
Income tax written back pertaining to earlier years	-	(187.60)
Adjustment in respect of Minimum Alternate Tax (MAT) credit utilised	(728.20)	-
Tax expense	1,060.91	729.75

The tax rate used for the year 2017-18 and 2016-17 reconciliations above is the tax rate of 34.608% (30% + surcharge @ 12% and education cess @ 3%) payable on taxable profits under the Income Tax Act, 1961.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

30 ASSETS AND LIABILITIES RELATING TO EMPLOYEE BENEFITS**(I) Post-employment defined benefit plans:****(A) Gratuity (funded)**

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. As per the plan, the Saregama India Limited Employees Group Gratuity Fund (Gratuity Fund), administered and managed by the Trustees and funded primarily with Life Insurance Corporation of India (LICI) and ICICI Prudential Life Insurance Company Limited, make payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Trustees are responsible for the overall governance of the plan and to act in accordance with the provisions of the trust deed and rules in the best interests of the plan participants. Each year an Asset-Liability matching study is performed in which the consequences of the strategic investment policies are analysed in terms of risk and return profiles. Investment and contribution policies are integrated within this study. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation as set out in Note 1(r)(iii) above, 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 2018	31 March 2017
(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	474.78	688.27
Current service cost	64.56	45.11
Interest cost	31.95	38.64
<u>Remeasurements (gains) / losses</u>		
Actuarial (gain)/ loss arising from changes in financial assumptions	(15.76)	20.44
Actuarial (gain)/ loss arising from changes in experience adjustments	5.92	55.17
Benefits paid	(49.54)	(372.85)
Present value of obligation at the end of the year	511.91	474.78
(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	359.10	622.84
Interest Income	28.50	36.61
<u>Remeasurements gains / (losses)</u>		
Return on plan assets (excluding amount included in net interest cost)	12.86	(5.79)
Contributions by employer	118.00	78.29
Benefits paid	(33.40)	(372.85)
Fair value of plan assets at the end of the year	485.06	359.10
(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	511.91	474.78
Fair value of plan assets at the end of the year	485.06	359.10
Liabilities recognised in the balance sheet	26.85	115.68
(d) Actual return on plan assets	41.36	30.82
(e) Re-measurements losses/(gains) recognised in the Other Comprehensive Income		
Return on plan assets (excluding amount included in net interest cost)	(12.86)	5.79
Effect of changes in financial assumptions	(15.76)	20.44
Effect of changes in experience adjustments	5.92	55.17
Total re-measurement included in Other Comprehensive Income	(22.70)	81.40
(f) Expense recognised in Statement of Profit or Loss:		
Current service cost	64.56	45.11
Net interest cost	3.45	2.03
Total expense recognised in Statement of Profit and Loss (refer note 25)	68.01	47.14

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

	31 March 2018	31 March 2017
	In %	In %
(g) Category of plan assets:		
(a) Fund with Life Insurance Corporation of India	66%	58%
(b) NAV based Group Balanced Fund with ICICI Prudential Life Insurance Company Limited	17%	21%
(c) NAV based Group Short Term Debt Fund with ICICI Prudential Life Insurance Company Limited	8%	10%
(d) NAV based Group Debt Fund with ICICI Prudential Life Insurance Company Limited	9%	11%
	100%	100%
(h) Maturity profile of defined benefit obligation:		
Within 1 year	246.07	237.38
1-2 year	1.28	1.03
2-5 years	29.90	22.24
Over 5 years	126.33	106.50

	31 March 2018	31 March 2017	1 April 2016
	(i) Principal actuarial assumptions:		
Discount rate	7.50%	7.10%	7.70%
Salary growth rate	10.00%	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.

(j) Sensitivity analysis	Change in Assumption	Impact on defined benefit obligation (2017-18)	Impact on defined benefit obligation (2016-17)
	Discount Rate	Increase by 1%	Decrease by ₹ 34.70 Lakhs
Decrease by 1%		Increase by ₹ 41.72 Lakhs	Increase by ₹ 41.07 Lakhs
Salary Growth Rate	Increase by 1%	Increase by ₹ 40.29 Lakhs	Increase by ₹ 39.55 Lakhs
	Decrease by 1%	Decrease by ₹ 34.27 Lakhs	Decrease by ₹ 30.99 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 Company expects to contribute ₹ 30 Lakhs (previous year - ₹ 118 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 2018 is **11 years** (31 March 2017 – 8 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 Trustees. The Company makes quarterly 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 ₹ 12.03 Lakhs (previous year- ₹ 10.96 Lakhs) has been recognised as expenditure towards above defined contribution plans of the Company.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

(B) Provident fund

Certain 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 ₹ 120.62 Lakhs (previous year- ₹ 103.45 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 provision recorded by the Company towards this obligation was ₹ 251.70 Lakhs, ₹ 232.65 Lakhs and ₹ 163.48 Lakhs as at 31 March 2018, 31 March 2017 and 1 April 2016 respectively. The amount of the provision is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

	31 March 2018	31 March 2017	1 April 2016
Leave provision not expected to be settled within the next 12 months	205.67	190.30	131.17

(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) 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 ₹10 each upon payment of the exercise price during the exercise period.

The exercise period commences from the date of vesting of the Options and expires at the end of 10 years from the date of vesting. The Options have been granted at the 'market price' as defined under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

Performance linked vesting schedule of the said options is as follows :-

- After 1 year from the date of grant : 20 % of the options granted
- After 2 years from the date of grant : 20 % of the options granted
- After 3 years from the date of grant : 20 % of the options granted
- After 4 years from the date of grant : 20 % of the options granted
- After 5 years from the date of grant : 20 % of the options granted

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

Information in respect of Options granted under the Scheme :

Pursuant to approved Scheme, the Compensation Committee / Nomination and Remuneration Committee of the Board of Directors has granted shares / options during 2013-14, 2016-17 and 2017-18 to certain eligible employees and outstanding as on 31 March 2018 at the following exercise price, being prevailing market price as on date of joining / revision of salary of respective employee:

Name of eligible employees	As at 31 March 2018		As at 31 March 2017	
	No. of options/shares	Exercise price per share (₹)	No. of options/shares	Exercise price per share (₹)
Mr. G. B. Aayeer, Chief Financial Officer and Director	10000	69.85	10000	69.85
Mr. Kumar Ajit, Vice President - Sales and marketing	10000	243.70	10000	243.70
Mr. Rohit Chopra, Senior Vice President - Legal	10000	717.00	-	-
Mr. Avinash Mudaliar, Head - Internet products and services	-	-	10000	53.95

Exercise of options by the option holders shall entail issuance of equity shares by the Company on compliance / completion of related formalities on the basis of 1:1.

During the year 2015-16, the Nomination and Remuneration Committee of the Board of Directors has approved vesting of 4000 options each to Mr.G.B.Aayeer and Mr. Avinash Mudaliar respectively.

2446 Options out of 10000 Options granted in 2013-14 to Mr.Avinash Mudaliar with exercise price of ₹ 53.95 per share was lapsed in 2017-18.

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:

	G. B. Aayeer	Kumar Ajit	Rohit Chopra
Fair value at grant date (₹)	49.48	141.9	684.80
Share price at grant date (₹)	69.85	243.70	717.00
Exercise price (₹)	69.85	243.70	717.00
Expected volatility	57.30%	55.96%	56.96%
Expected Life (expected weighted average life)	13 Years	8 Years	8 Years
Expected dividend	0.50%	1.34%	0.81%
Risk free interest rate (based on government bonds)	9%	7%	7%

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 2018	31 March 2017
Number of Options Outstanding at the beginning of the year	30000	30000
Number of Options granted during the year	10000	10000
Number of Options forfeited/lapsed during the year	2446	10000
Number of Options Vested during the Year	7143	-
Number of Options Exercised during the year	7554	-
Number of Shares Arising as a result of exercise of Options	7554	-
Number of Options Outstanding at the end of the year	30000	30000
Number of Options Exercisable at the end of the year	7589	8000

The Options were exercised during the period permitted under the Scheme, and weighted average share price of shares arising upon exercise of Options, based on the closing market price on NSE on the date of exercise of Options for the year ended 31 March 2018 was ₹ 498.80.



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

(b) Stock appreciation rights

On October 27, 2014 (being the grant date), the Nomination and Remuneration Committee of the Board of Directors has granted 2,00,000 Stock Appreciation Rights (SAR) to the Managing Director, pursuant to Stock Appreciation Rights Scheme 2014. The rights entitle the managing director to a cash payment, being the difference in the share price between the date of grant and the date of exercise as per the following performance linked vesting schedule :-

- After one year from the date of grant:- 66%
- After two years from the date of grant:- 34%

The exercise period shall commence from the date of vesting and expire at the end of ten years from the relevant vesting date.

During the year 2016-17, the Nomination and Remuneration Committee of the Board of Directors has approved vesting of 2,00,000 SARs to its Managing Director.

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:

	31 March 2018	31 March 2017
Share price at measurement date (₹ per share)	655.7	233.7
Exercise price (₹ per share)	170.7	170.7
Expected time (in years)	4.29	4.79
Expected volatility (%)	56.80%	52.50%
Dividend yield (%)	0.81%	1.40%
Risk-free interest rate (%)	7.00%	6.25%
Carrying amount of liability - included in employee benefits payable (₹ in Lakhs) (Refer Note 16.3)	1037	256.8
Value per SAR (₹)	518.5	128.4

(c) Expense arising from share based payment transactions

Total expenses arising from share-based payment transactions recognised in statement of profit or loss as part of employee benefit expense are as follows:

	Year ended 31 March 2018	Year ended 31 March 2017
Employee stock option scheme	8.44	3.23
Share appreciation rights	780.20	256.80

32 FAIR VALUE MEASUREMENTS

(i) Financial instruments by category

	Notes	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
		Carrying Amount / Fair Value	Carrying Amount / Fair Value	Carrying Amount / Fair Value
A. Financial assets				
(a) Measured at fair value through OCI				
Investments				
Equity instruments	7.1	12,339.83	10,764.07	6,120.70
Sub total		12,339.83	10,764.07	6,120.70
(b) Measured at amortised cost				
Trade receivables	10.1	7,810.11	5,558.64	4,914.60
Cash and cash equivalents	10.2	635.79	1,557.88	2,371.21
Other bank balances	10.3	161.79	7.27	5.65
Loans	7.2,10.4	398.01	705.75	376.05
Other financial assets	7.3,10.5	5.16	8.80	19.25
Sub total		9,010.86	7,838.34	7,686.76
Total financial assets		21,350.69	18,602.41	13,807.46

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

	Notes	As at	As at	As at
		31 March 2018	31 March 2017	1 April 2016
		Carrying Amount / Fair Value	Carrying Amount / Fair Value	Carrying Amount / Fair Value
B. Financial liabilities				
Measured at amortised cost				
Borrowings	16.1	1,291.74	-	-
Trade payables	16.2	3,864.00	3,706.08	2,884.14
Other financial liabilities	16.3	3,472.18	1,151.63	1,813.24
Total financial liabilities		8,627.92	4,857.71	4,697.38

(ii) Fair value hierarchy

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

(a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows below.

Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: Inputs other than quoted price included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

The fair value of financial instruments that are not traded in an active market is determined using market approach and valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

If one or more of the significant inputs is not based on observable market data, the fair value is determined using generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparty.

The fair value of trade receivables, trade payables and other financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short-term nature. Where such items are Non-current in nature, the same has been classified as Level 3 and fair value determined using discounted cash flow basis. Similarly, unquoted equity instruments where most recent information to measure fair value is insufficient, or if there is a wide range of possible fair value measurements, cost has been considered as the best estimate of fair value.

There has been no change in the valuation methodology for Level 3 inputs during the year. The Company has not classified any material financial instruments under Level 3 of the fair value hierarchy. There were no transfers between Level 1 and Level 2 during the year.

Particulars	Fair Value Hierarchy Level	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Financial assets				
Measured at fair value through OCI				
Investments				
Equity instruments (quoted)	1	12,175.28	10,599.52	5,956.15
Equity instruments (un-quoted)	3	164.55	164.55	164.55
		12,339.83	10,764.07	6,120.70

33 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

Accordingly, the Company's risk management framework has the objective of ensuring that such risks are managed within acceptable and approved risk parameters in a disciplined and consistent manner and in compliance with applicable regulation. It also seeks to drive accountability in this regard.

This Note explains the sources of risk which the entity is exposed to and how the entity manages the risk. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

(A) Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The Company is exposed to credit risk from its operating activities (primarily Trade Receivables) and from its investing activities (primarily Deposits with Banks).

Trade receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers. Customer credit risk is managed by respective segment subject to the Company's policy and procedures which involve credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. The Company's customer base is large and diverse limiting the risk arising out of credit concentration. Further, credit is extended in business interest in accordance with business-specific credit policies. The Company's exposure to trade receivables on the reporting date, net of expected loss provisions, stood at ₹ **7,810.11 Lakhs** as on 31 March 2018 (31 March 2017 - ₹ 5,558.64 Lakhs ; 1 April 2016 - ₹ 4,914.60 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 Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors and the Company's historical experience with customers.

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 2018	As at 31 March 2017
Opening balance	1,949.62	1,807.97
Add: provision made (net)	595.18	141.65
Less: utilisation for impairment/de-recognition	1,134.64	-
Closing balance	1,410.16	1,949.62

The following tables provide information about the exposure to credit risk and expected loss provision for trade receivables as at 31 March 2018, 31 March 2017 and 1 April 2016 respectively:

Ageing	31 March 2018			
	Gross carrying amount	Expected loss provision	Expected provision	Carrying amount (net of Provision)
Not due	5,515.43	0%	68.43	5,447.00
0-89 days past due	1,511.89	0%	-	1,511.89
90-179 days past due	750.38	10%	75.04	675.34
180-269 days past due	186.71	33%	61.61	125.10
270-364 days past due	153.87	67%	103.09	50.78
365 days and above past due	1,101.99	100%	1,101.99	-
Total	9,220.27		1,410.16	7,810.11

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

Ageing	31 March 2017			
	Gross carrying amount	Expected loss provision	Expected provision	Carrying amount (net of Provision)
Not due	2,877.07	0%	-	2,877.07
0-89 days past due	1,876.32	0%	-	1,876.32
90-179 days past due	644.43	10%	64.44	579.99
180-269 days past due	280.10	33%	92.43	187.67
270-364 days past due	113.90	67%	76.31	37.59
365 days and above past due	1,716.44	100%	1,716.44	-
Total	7,508.26		1,949.62	5,558.64

Ageing	1 April 2016			
	Gross carrying amount	Expected loss provision	Expected provision	Carrying amount (net of Provision)
Not due	3,109.71	0%	-	3,109.71
0-89 days past due	1,265.33	0%	-	1,265.33
90-179 days past due	361.94	10%	36.19	325.75
180-269 days past due	278.06	33%	91.76	186.30
270-364 days past due	83.36	67%	55.85	27.51
365 days and above past due	1,624.17	100%	1,624.17	-
Total	6,722.57		1,807.97	4,914.60

Other financial assets

Credit risk from balances with banks, term deposits and investments is managed by Company's finance department. 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 2018, 31 March 2017 and 1 April 2016 is the carrying amounts as disclosed in Note 7.3 and 10.5.

(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 from their carrying value as the impact of discounting is not significant.

Non-derivative financial liabilities	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
(i) Borrowings including interest obligation	1,291.74	-	-
(ii) Trade payables	3,864.00	3,706.07	2,884.14
(iii) Other financial liabilities	3,472.18	1,151.63	1,813.24
	8,627.92	4,857.70	4,697.38

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 2018 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

(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 and trade payables and is therefore exposed to foreign currency risk.

The Company strives to achieve asset-liability offset of foreign currency exposures and only the net position is hedged where considered necessary. The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the INR cash flows of highly probable forecast transactions.

(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 2018		As at 31 March 2017		As at 1 April 2016	
	Financial Assets	Financial Liabilities	Financial Assets	Financial Liabilities	Financial Assets	Financial Liabilities
USD	1,399.89	0.36	1,223.06	3.04	415.96	31.72
GBP	867.25	-	597.65	-	584.54	-
Others	43.79	-	78.64	-	24.90	-
Total	2,310.93	0.36	1,899.35	3.04	1,025.40	31.72

Net Exposure to Foreign Currency Risk (Assets - Liabilities)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
USD	1,399.53	1,220.02	384.24
GBP	867.25	597.65	584.54
Others	43.79	78.64	24.90
Total	2,310.57	1,896.31	993.68

(b) Sensitivity

The sensitivity of profit or loss 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 2018	Year ended 31 March 2017
USD sensitivity		
INR/USD -Increase by 10%	139.95	122.00
INR/USD -Decrease by 10%	(139.95)	(122.00)
GBP sensitivity		
INR/GBP-Increase by 10%	86.73	59.77
INR/GBP-Decrease by 10%	(86.73)	(59.77)
Other currencies sensitivity		
INR/Others-Increase by 10%	4.38	7.86
INR/Others-Decrease by 10%	(4.38)	(7.86)

(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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

The Company's investments in term deposits with bank are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of changes in market interest rates.

The exposure of the Company's financial assets and financial liabilities to interest rate risk is as follows:

	31 March 2018		31 March 2017		1 April 2016	
	Floating Rate	Fixed Rate	Floating Rate	Fixed Rate	Floating Rate	Fixed Rate
Financial assets	-	152.58	-	1,000.00	-	1,700.25
Financial liabilities*	1,291.74	-	-	-	-	-
	1,291.74	152.58	-	1,000.00	-	1,700.25

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 ₹ 6.46 Lakhs in interest expense on financial liabilities and corresponding impact on profit before tax for the year ended 31 March 2018.

* The exposure of the Company's financial liabilities (both floating and fixed rate) as at 31 March 2017 and as at 1 April 2016 was ₹ Nil. Accordingly impact on profit and loss on account of change in interest rate is not computed.

(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 as at 31 March 2018 is ₹ **12,339.83 Lakhs** (31 March 2017 - ₹10,764.07 Lakhs; 1 April 2016 - ₹ 6,120.70 Lakhs). Accordingly, fair value fluctuations arising from market volatility is recognised in Other Comprehensive Income.

The Company invests its surplus funds in fixed deposits. Fixed deposits are held with highly rated banks and have a short tenure and are not subject to interest rate volatility.

34 CAPITAL MANAGEMENT
(a) Risk management

The Company's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital on the basis of net debt to equity ratio and maturity profile of overall debt portfolio of the Company.

Net debt implies total borrowings of the Company as reduced by Cash and Cash Equivalent and Equity comprises all components attributable to the owners of the Company

The following table summarises the capital of the Company:

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Total borrowings	1,291.74	-	-
Less: Cash and cash equivalents	(635.79)	(1,557.88)	(2,371.21)
Net Debt	655.95	(1,557.88)	(2,371.21)
Equity	38,210.50	34,101.97	20,398.64
Total Capital (Equity+ Net Debt)	38,866.45	32,544.09	18,027.43
Net Debt to Equity Ratio	0.02	(0.05)	(0.12)

Under the terms of the borrowing facilities, the Company has complied with the financial covenants as imposed by the bank and financial institutions.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

No changes were made to the objectives, policies or processes for managing capital during the years ended 31 March 2018 and 31 March 2017.

(b) Dividend on equity shares**Dividend declared and paid during the year**

Final dividend for the year ended 31 March 2017 of ₹ 1.50 (31 March 2016 – ₹ 1.50) per fully paid share

Dividend distribution tax on above

Proposed dividend not recognised at the End of the Reporting Period

In addition to the above dividend, since year end the directors have recommended the payment of a final dividend of ₹ 3/- per fully paid share (31 March 2017 – ₹ 1.50). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.

Dividend distribution tax on above

	Year ended 31 March 2018	Year ended 31 March 2017
Final dividend for the year ended 31 March 2017 of ₹ 1.50 (31 March 2016 – ₹ 1.50) per fully paid share	261.04	261.04
Dividend distribution tax on above	53.14	53.14
	314.18	314.18
Proposed dividend of ₹ 3/- per fully paid share (31 March 2017 – ₹ 1.50)	522.31	261.04
Dividend distribution tax on above	107.36	53.14
	629.67	314.18

35 RELATED PARTY DISCLOSURES**Where control exists****a) Parent entity**

The Company is controlled by the following entity

Name	Type	Place of incorporation	Ownership interest		
			As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Rainbow Investments Limited (RIL) *	Holding Company	India	-	-	59.14%
Composure Services Private Limited (CSPL) #			59.14%	59.14%	-

* up to 28 March 2017
with effect from 29 March 2017

b) Subsidiaries

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

Name	Type	Place of incorporation	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Saregama Plc. (SPLC)	Subsidiary Company	United Kingdom	76.41%	76.41%	76.41%
RPG Global Music Limited (RPGG)	Wholly Owned Subsidiary Company	Mauritius	100%	100%	100%
Kolkata Metro Networks Limited (KMNL)	Wholly Owned Subsidiary Company	India	100%	100%	100%
Open Media Network Pvt. Limited (OMNPL)	Wholly Owned Subsidiary Company	India	100%	100%	100%
Saregama Inc	Step-down Subsidiary Company	USA	76.41%	-	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

c) Joint venture

Saregama Regency Optimedia Private Limited (SROPL) (under liquidation effective 19 September 2016)

d) Key management personnel of the Company and Holding Company with whom transactions have taken place

Name	Relationship
Mr. Sanjiv Goenka	Chairman and Non-Executive Director
Mr. Vikram Mehra (Managing Director)	Managing Director
Mr. G.B.Aayeer (Executive Director)	Whole-time Director
Mrs. Preeti Goenka	Non-Executive Director
Mrs. Sushila Goenka	Non-Executive Director
Mr. Umang Kanoria	Non-Executive Independent Director
Mr. Bhaskar Raychaudhuri	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
Mr. P.K. Mohapatra #	Non-Executive Independent Director
Mr. Rajendra Dey	Director of Holding Company
Mr. Akhilanand Joshi	Director of Holding Company
# Expired on 13 March 2017	

e) Other Related Parties with whom the Company had transactions

Name	Relationship
CEC LTD	Associate of Rainbow Investments Limited (upto 28 March 2017)
Spencer & Company Limited	Associate of Rainbow Investments Limited (upto 28 March 2017)
Harrisons Malayalam Limited	Associate of Rainbow Investments Limited (upto 28 March 2017)
Woodlands Multispeciality Hospital Limited	Associate of Rainbow Investments Limited (upto 28 March 2017)
Duncan Brothers & Co. Ltd	Associate of Rainbow Investments Limited (upto 28 March 2017)
Phillips Carbon Black Limited	Associate of Rainbow Investments Limited (upto 5 March 2017)
Phillips Carbon Black Limited	Fellow Subsidiary (with effect from 6 March 2017 upto 28 March 2017)
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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

Transactions with related parties

Sr. No.	Particulars	Year ended 31 March 2018	Year ended 31 March 2017
A	Holding company- (RIL) up to 28 March 2017		
	Dividend paid	-	154.37
	Holding company- (CSPL) w.e.f 29 March 2017		
	Dividend paid	154.37	-
B	Subsidiary company		
	SPLC		
	Sale of goods	1.34	0.80
	Licence fees - income	669.35	635.16
	Provision for doubtful debts and advances written back	10.84	28.37
	Provision for diminution in the carrying amount of investment made	-	8.82
	OMNPL		
	Sale of goods	0.67	0.84
	Interest income	417.38	274.99
	Loans and advances given	1,538.99	1,382.18
	Provision for doubtful debts and advances made	1,540.53	1,382.18
	KMNL		
	Interest income	7.15	9.01
	Licence fee- expense	68.11	56.16
	Loans and advances given	9.48	15.66
	Receipt towards loans and advances	34.33	28.50
	Provision for doubtful debts and advances written back	51.76	28.50
	Saregama Inc		
	Sale of goods	51.33	-
	Licence fees-income	69.33	-
C	Key management personnel		
	Managerial remuneration paid/payable to Mr Vikram Mehra.	1,353.96	530.81
	Managerial remuneration paid/payable to Mr G.B.Aayeer.	199.26	177.79
	Excess remuneration recoverable from Mr.Vikram Mehra	-	258.08
	Excess remuneration to Mr.Vikram Mehra written back	-	130.88
D	Sitting fees		
	Mr. Sanjiv Goenka	1.10	0.90
	Mrs. Preeti Goenka	0.60	0.40
	Mrs. Sushila Goenka	0.60	0.40
	Mr. Umang Kanoria	1.30	1.30
	Mr.Bhaskar Raychaudhuri	1.15	1.15
	Mr.Santanu Bhattacharya	1.20	0.45
	Mr.Arindam Sarkar	0.85	0.65
	Mr.P.K.Mohapatra	-	1.15
	Mr.Noshir Naval Framjee	0.25	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

Sr. No.	Particulars	Year ended 31 March 2018	Year ended 31 March 2017
E	Payment to Director		
	Rent paid to Mrs. Preeti Goenka	5.40	5.40
F	Associates of Rainbow Investment Limited, Holding Company upto 28 March 2017		
	CESC LTD		
	Power and fuel expense	-	53.77
	Reimbursement of expense paid/payable	-	16.68
	Dividend received	-	126.00
	Advertisement and sales promotion	-	2.96
	Interest on security deposit	-	2.52
	Sale of goods	-	34.69
	Spencer & Company Limited		
	Rent paid	-	183.60
	Reimbursement of expense received/receivable	-	1.90
	Harrisons Malaylam Ltd		
	Reimbursement of expense paid/payable	-	0.25
	Woodlands Multispeciality Hospital Ltd		
	Reimbursement of Expense paid/payable	-	3.58
	Duncan Brothers & Co. Ltd		
	Reimbursement of expense paid/payable	-	0.14
	Philips Carbon Black Ltd		
	Dividend received	-	0.01
	Reimbursement of Expense paid/payable	-	0.81
G	Post employment benefit plan of the Company		
	Contribution towards gratuity fund	118.00	78.29
	Contribution towards superannuation fund	12.03	10.96
	Key management personnel compensation		
		Year ended 31 March 2018	Year ended 31 March 2017
	Short-term employee benefits	728.43	532.53
	Post employment benefits	34.77	40.46
	Other long-term benefits	9.38	9.61
	Share-based payment	780.64	126.00

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

Balances outstanding at the year end	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
A Subsidiary Company			
1) Non-current investments @			
SPLC	8.82	8.82	8.82
RPGG	-	-	-
KMNL	1,554.10	1,554.10	1,554.10
OMNPL	-	-	-
2) Loans @			
KMNL	42.57	67.42	80.26
OMNPL	4,948.71	3,409.72	2,027.54
3) Trade receivables @			
SPLC	797.92	597.65	584.54
OMNPL	1.76	0.88	-
Saregama Inc	69.33	-	-
4) Provision for doubtful loans and advances			
KMNL	-	51.76	80.26
OMNPL	4,948.71	3,409.72	2,027.54
5) Provision for diminution in the value of investments			
SPLC	8.82	8.82	-
6) Provision for doubtful debts			
SPLC	96.89	107.73	136.10
OMNPL	1.54	-	-
B Joint venture company			
1) Non-current investments @			
SROPL	145.97	145.97	145.97
2) Provision for diminution in the value of investments			
SROPL	145.97	145.97	145.97
C Key management personnel			
Remuneration Payable			
- Mr. Vikram Mehra	1,124.41	205.47	184.88
- G.B.Aayeer	36.18	30.00	-
Excess remuneration recoverable			
- Mr. Vikram Mehra	-	258.08	-
@ Gross of provisions			

36 COMMITMENTS

Estimated amount of Contract remaining to be executed on Capital account and not provided for (net of advances of ₹ 958.50 Lakhs; 31 March 2017 - ₹ 25.00 Lakhs; 1 April 2016 - ₹ 17.42 Lakhs) as at 31 March 2018 are estimated at ₹ 1,271.00 Lakhs (31 March 2017 - ₹ 75.00 Lakhs; 1 April 2016 - ₹ 26.92 Lakhs).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

37 CONTINGENT LIABILITIES IN RESPECT OF -

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Claims against the Company not acknowledged as debts in respect of -			
- Copyright matters	138.78	120.00	20.00
- Income tax matters	1,461.19	1,593.47	1,934.68
- Sales tax /value added tax / entry tax matters	564.73	559.87	533.50
- Excise duty matters	112.16	112.16	112.16
- Custom duty matters	266.75	266.75	266.75
- Service tax matters	121.43	-	-
- Other matters	1,847.16	-	-

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.

38 AMOUNT PAID / PAYABLE TO AUDITORS :

	Year ended 31 March 2018	Year ended 31 March 2017
As Auditors -		
- Audit fees for Standalone Financial Statements	25.00	25.00
- Audit fees for Consolidated Financial Statements	6.25	6.25
- Tax audit	6.00	6.00
- Limited reviews	11.25	11.25
- Others [certificates, etc.]	1.84	10.50
Reimbursement of expenses	2.09	0.78

39 BASIC AND DILUTED EARNINGS PER SHARE :

	Year ended 31 March 2018	Year ended 31 March 2017
Number of equity shares at the beginning of the year	17,402,938	17,402,938
Number of equity shares at the end of the year	17,410,492	17,402,938
Weighted average number of equity shares outstanding during the year (A)	17,407,056	17,402,938
Weighted average number of potential equity shares on account of employee stock options (B)	15,808	14,471
Weighted average number of equity shares for computing diluted earnings per share [C= (A+B)]	17,422,864	17,417,409
Nominal value of each equity share (₹)	10	10
Profit after tax available for equity shareholders (₹ in Lakhs) [D]	3,050.73	1,000.20
Basic earnings per share (₹) [D/A]	17.53	5.75
Diluted earnings per share (₹) [D/C]	17.51	5.74

40.1 The Company has cancellable operating lease arrangements 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 ₹ 315.54 Lakhs (previous year - ₹ 313.91 Lakhs).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

- 40.2** Rent income includes sub-lease payments of ₹ **21.75 Lakhs** (previous year - ₹ 4.38 Lakhs) for the year relating to sub-lease 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.
- 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 also been disclosed till the above period.
- 42 THE COMPANY HAS FOLLOWING UN-HEDGED EXPOSURES IN FOREIGN CURRENCIES**

	Year ended 31 March 2018		Year ended 31 March 2017	
	Foreign currency in Lakhs	Amount in ₹ Lakhs	Foreign currency in Lakhs	Amount in ₹ Lakhs
Trade Receivables	GBP 9.40	867.25	GBP 7.39	597.65
Trade Receivables	USD 21.52	1,399.89	USD 18.86	1,223.06
Trade Receivables	SAR 0.06	0.69	SAR 0.06	1.02
Trade Receivables	LKR 58.93	25.09	LKR 55.69	23.45
Trade Receivables	-	-	NPR 0.05	0.03
Trade Receivables	MYR 0.09	1.52	-	-
Trade Receivables	QAR 0.05	0.87	QAR 0.46	8.25
Trade Receivables	AED 0.81	13.99	AED 2.60	45.89
Trade Receivables	SGD 0.01	0.45	-	-
Trade Receivables	OMR 0.01	1.18	-	-
Trade Payables	USD 0.01	0.36	USD 0.05	3.04

- 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 (a)** The Company has provided loans and advances [repayable on demand at the interest rate of **10.70 % p.a.** (2016-17 - 10.70% p.a.)] of ₹ **9.48 Lakhs** (2016-17 - ₹15.66 Lakhs) during the year to its subsidiary, Kolkata Metro Networks Limited for financial assistance and its principal business activities.
- 44 (b)** The Company has provided loans and advances [repayable on demand at the interest rate of **10.70 % p.a.** (2016-17- 10.70% p.a.)] of ₹ **1,538.99 Lakhs** (2016-17 ₹ 1,382.18 Lakhs) during the year to its subsidiary Open Media Network Private Limited for financial assistance and its principal business activities.
- 44 (c)** During the year ended 31 March 2018, the Company has duly recovered / adjusted the total amount being held in trust as on 31 March 2017 on account of amount held in trust as excess managerial remuneration paid to the Managing Director.
- 45** On 2 April 2018 (around 12:00 AM) there was a fire in the godown (of third party service provider) damaging stocks of the Company aggregating to ₹ 3,758 Lakhs. In the opinion of the management, no material financial impact on account of the inventory loss is envisaged in view of the adequate insurance cover by the Company and accordingly, no adjustments have been made in the financial statements as at 31 March 2018. The insurance claim is currently being processed by the insurance company.
- 46** Tax Expenses is net of Minimum Alternate Tax (MAT) credit of ₹ **728.20 Lakhs** (2016-17 ₹ Nil) based on income tax computation set out in accounting policy [Note 1(t)] and Company's return of income.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

47 FIRST-TIME ADOPTION OF IND AS

These are the Company's first standalone financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 1 have been applied in preparing the standalone financial statements for the year ended 31 March 2018, the comparative information presented in these standalone financial statements for the year ended 31 March 2017 and in the preparation of an opening Ind AS standalone balance sheet as at 1 April 2016 (the Company's date of transition). In preparing its opening Ind AS standalone balance sheet, the Company has adjusted the amounts reported previously in the standalone financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from Previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

A Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from Previous GAAP to Ind AS.

A.1 Ind AS optional exemptions
A.1.1 Business combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.

The Company has elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

A.1.2 Prospective application of Ind AS 21 to Business Combinations

Ind AS 101 allows a first-time adopter not to apply Ind AS 21 - The Effects of Changes in Foreign Exchange Rates retrospectively for business combinations that occurred before the date of transition to Ind AS.

The Company has elected to apply this exemption.

A.1.3 Deemed Cost for property, plant and equipment and intangible assets

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the standalone financial statements as at the date of transition to Ind AS, measured as per the Previous GAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets and Investment Property covered by Ind AS 40 Investment Properties.

Accordingly, the Company has elected to measure all of its property, plant and equipment, intangible assets and investment properties at their previous GAAP carrying value. The Company does not have any de-commissioning liabilities as on the date of transition and accordingly no adjustment have been made for the same.

A.1.4 Investments in subsidiaries and joint venture

Ind AS 101 permits a first-time adopter to elect to measure its investments in subsidiaries and joint ventures at fair value of such investments at the Company's date of transition to Ind AS or Previous GAAP carrying amount at that date and use that as its deemed cost as at the date of transition.

Under previous GAAP, Investment in subsidiaries and joint venture were stated at cost and provisions made to recognise the decline, other than temporary. Under Ind AS, the Company has considered their previous GAAP carrying amount as their deemed cost.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

First-time adoption of Ind AS (contd.)**A.1.5 Designation of previously recognised financial instruments**

Ind AS 101 permits an entity to designate particular equity instruments (other than equity investments in subsidiaries and joint arrangements) as at fair value through other comprehensive income (FVOCI) based on facts and circumstances at the date of transition to Ind AS (rather than initial recognition). Other equity investments are classified at fair value through profit or loss (FVTPL). The Company has opted to avail this exemption to designate certain equity investments as FVOCI on the date of transition.

A.2 Ind AS mandatory exceptions**A.2.1 Estimates**

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS)

On assessment of estimates made under the Previous GAAP financial statements, the Company has concluded that there is no necessity to revise such estimates under Ind AS, as there is no objective evidence of an error in those estimates.

A.2.2 Derecognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the derecognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the derecognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the derecognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

A.2.3 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS. The Company has assessed the same accordingly.

Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exists on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

First-time adoption of Ind AS (contd.)**B. Reconciliation between previous GAAP and Ind AS**

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent reconciliation from previous GAAP to Ind AS.

Reconciliation of Equity

Particulars	Notes to First Time Adoption	As at the date of transition 1 April 2016			As at 31 March 2017		
		Previous GAAP*	Adjustment on transition to Ind AS	Ind AS	Previous GAAP*	Adjustment on transition to Ind AS	Ind AS
ASSETS							
(1) Non-current assets							
(a) Property, plant and equipment	h,i	7,685.28	(252.71)	7,432.57	19,137.95	(209.74)	18,928.21
(b) Investment properties	i	-	252.71	252.71	-	247.18	247.18
(c) Intangible assets		710.90	-	710.90	619.26	-	619.26
(d) Investment in subsidiaries and joint venture	a (ii)	1,562.92	-	1,562.92	1,571.97	(17.87)	1,554.10
(e) Financial assets							
(i) Investments	a (i)	3,239.44	2,881.26	6,120.70	3,239.44	7,524.63	10,764.07
(ii) Loans	f	486.52	(124.69)	361.83	530.81	(108.55)	422.26
(iii) Other financial assets		2.12	-	2.12	2.50	-	2.50
(f) Other non-current assets	f	33.59	83.57	117.16	126.10	62.25	188.35
Total non-current assets		13,720.77	2,840.14	16,560.91	25,228.03	7,497.90	32,725.93
(2) Current assets							
(a) Inventories		96.66	-	96.66	989.04	-	989.04
(b) Financial assets							
(i) Trade receivables		4,914.60	-	4,914.60	5,558.64	-	5,558.64
(ii) Cash and cash equivalents		2,371.21	-	2,371.21	1,557.88	-	1,557.88
(iii) Bank balances other than (ii) above		5.65	-	5.65	7.27	-	7.27
(iv) Loans		14.10	-	14.10	283.49	-	283.49
(v) Other financial assets		17.25	-	17.25	6.30	-	6.30
(c) Current tax assets (net)		3,827.88	-	3,827.88	4,128.89	-	4,128.89
(d) Other current assets	f	1,296.65	32.46	1,329.11	1,553.76	36.47	1,590.23
Total current assets		12,544.00	32.46	12,576.46	14,085.27	36.47	14,121.74
TOTAL ASSETS		26,264.77	2,872.60	29,137.37	39,313.30	7,534.37	46,847.67
EQUITY AND LIABILITIES							
Equity							
(a) Equity share capital		1,740.29	-	1,740.29	1,740.29	-	1,740.29
(b) Other equity	a,b,c,d,e,f,g,h,i	17,342.01	1,316.34	18,658.35	29,702.52	2,659.16	32,361.68
Total equity		19,082.30	1,316.34	20,398.64	31,442.81	2,659.16	34,101.97
Liabilities							
(1) Non-current liabilities							
(a) Employee benefit obligations		131.17	-	131.17	190.30	-	190.30
(b) Deferred tax liabilities (net)	d	(1,061.56)	2,197.58	1,136.02	(1,034.10)	5,280.09	4,245.99
Total non-current liabilities		(930.39)	2,197.58	1,267.19	(843.80)	5,280.09	4,436.29
(2) Current liabilities							
(a) Financial liabilities							
(i) Trade payables		2,884.14	-	2,884.14	3,706.07	-	3,706.07
(ii) Other financial liabilities	g	1,689.20	124.04	1,813.24	1,020.83	130.80	1,151.63
(b) Other current liabilities		805.51	-	805.51	676.87	-	676.87
(c) Provisions	b,c	2,636.27	(765.36)	1,870.91	3,152.49	(535.68)	2,616.81
(d) Employee benefit obligations		97.74	-	97.74	158.03	-	158.03
Total current liabilities		8,112.86	(641.32)	7,471.54	8,714.29	(404.88)	8,309.41
TOTAL EQUITY AND LIABILITIES		26,264.77	2,872.60	29,137.37	39,313.30	7,534.37	46,847.67

* The Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

First-time adoption of Ind AS (contd.)**B. Reconciliation between previous GAAP and Ind AS (contd.)****Reconciliation of Total Comprehensive Income for the year ended 31 March 2017**

Particulars	Notes to First Time Adoption	Previous GAAP*	Adjustment on transition to Ind AS	Ind AS
Revenue from operations		20,815.61	-	20,815.61
Other income	e,f,g	1,156.16	429.61	1,585.77
Total income		21,971.77	429.61	22,401.38
Expenses				
Contract manufacturing charges		544.70	-	544.70
Cost of production of television serials and portal		6,324.87	-	6,324.87
Changes in inventories of finished goods and work-in-progress[(increase)/decrease]		(892.38)	-	(892.38)
Employee benefits expense	c,g	3,843.51	52.63	3,896.14
Finance costs	e	26.96	204.87	231.83
Depreciation and amortisation expense	h	393.29	13.43	406.72
Other expenses	f	10,124.31	35.24	10,159.55
Total expenses		20,365.26	306.17	20,671.43
Profit before tax		1,606.51	123.44	1,729.95
Tax expense				
- Current tax		995.56	28.17	1,023.73
- Excess Provision of earlier years written back		(187.60)	-	(187.60)
- Deferred tax [charge/(credit)]		27.46	(133.84)	(106.38)
Total tax expense		835.42	(105.67)	729.75
Profit for the year		771.09	229.11	1,000.20
Other comprehensive income				
<i>Items that will not be reclassified to profit or loss</i>				
Remeasurements of post-employment benefit obligations	c	-	(81.40)	(81.40)
Changes in fair value of equity instruments designated at FVOCI	a	-	4,643.36	4,643.36
Revaluation gains relating to property, plant and equipment	h	-	11,640.29	11,640.29
Income tax relating to items that will not be reclassified subsequently to profit or loss		-	(3,193.13)	(3,193.13)
Other comprehensive income for the year, net of tax		-	13,009.12	13,009.12
Total comprehensive income for the year		771.09	13,238.23	14,009.32
Earnings per equity share: [Nominal value per share ₹ 10 (previous year- ₹ 10)]				
Basic (₹)		4.43		5.75
Diluted (₹)		4.43		5.74

* The Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

First-time adoption of Ind AS (contd.)**B. Reconciliation between previous GAAP and Ind AS (contd.)****Reconciliation of total equity as at 31 March 2017 and 1 April 2016**

	Notes to first-time adoption	As at 31 March 2017	As at 1 April 2016
Total equity (shareholder's funds) as per previous GAAP		31,442.81	19,082.30
Adjustments:			
Effect of fair valuation of investment in equity shares through OCI	a(i)	7,524.63	2,881.26
Effect of adoption of cost model for certain items of PPE	h	37.44	-
Adjustments in retained earnings:			
Effect of unwinding of discount on financial assets	f	25.41	(8.66)
Effect of proposed dividend and tax thereon	b	-	314.18
Effect of discounting and unwinding of discount on financial liabilities and provisions	e	535.68	451.18
Effect of additional expenses on account of discounting of financial assets	f	(35.24)	-
Effect of fair valuation of Stock Appreciation Rights (SAR)	g	(130.80)	(124.04)
Carrying amount of investment in subsidiaries considered at deemed cost	a(ii)	(17.87)	-
Tax effects of adjustments		(989.15)	(2,197.58)
Tax effects on account of revaluation		(4,290.94)	-
Total adjustments		2,659.16	1,316.34
Total equity as per Ind AS		34,101.97	20,398.64

Reconciliation of total comprehensive income for the year ended 31 March 2017

	Notes to first-time adoption	Year Ended 31 March 2017
Net Profit as reported under previous GAAP		771.09
Adjustments:		
Effect of reclassification of remeasurement of employee benefit obligation to Other comprehensive income	c	81.40
Effect of unwinding of discount on financial assets	f	34.07
Effect of discounting of financial liabilities/provision	e	289.38
Effect of recognition of ESOP at fair value	g	(3.23)
Effect of unwinding of discount on financial liabilities/ provision	e	(204.87)
Effect of additional expense on discounting of financial assets	f	(35.24)
Effect of adoption of cost model for certain items of PPE	h	(13.43)
Effect of fair valuation of SAR	g	(6.76)
Carrying amount of Investment in subsidiaries considered at deemed cost	a(ii)	(17.87)
Tax effects of above adjustments		105.66
Total adjustments		229.11
Profit after tax as per Ind AS		1,000.20
Other comprehensive income, net of taxes	a(i), c, d, h	13,009.12
Total comprehensive income as per Ind AS		14,009.32

Impact of Ind AS adoption on the statements of cash flows for the year ended 31 March 2017

There were no material differences between the Cash Flow statement presented under Ind AS and the previous GAAP.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

First-time adoption of Ind AS (contd.)
C. Notes to First-time Adoption
a (i) Fair valuation of investments (other than investments in subsidiaries and joint venture)

Under previous GAAP, non-current investments were stated at cost. Where applicable, provision was made to recognise a decline, other than temporary, in valuation of such investments. Under Ind AS, equity instruments (other than investment in subsidiaries and joint ventures) have been classified as Fair Value through Other Comprehensive Income (FVOCI) through an irrevocable election at the date of transition.

Fair value changes with respect to investments in equity instruments designated as at FVOCI have been recognised in Equity Instrument through OCI reserve as at the date of transition and subsequently in the other comprehensive income for the year ended 31 March 2017.

Consequent to the above, the total equity as at 31 March 2017 has increased by ₹ 7,524.63 Lakhs (1 April 2016 - ₹ 2,881.26 Lakhs) and other comprehensive income for the year ended 31 March 2017 has increased by ₹ 4,643.36 Lakhs.

(ii) Investment in subsidiaries and joint venture

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

Consequently, provision for diminution in one of its subsidiary amounting to ₹ 17.87 Lakhs written back under previous GAAP stands reversed under Ind AS. Accordingly, total comprehensive income for the year ended 31 March 2017 is reduced by ₹ 17.87 Lakhs.

b Proposed dividend

Under the Previous GAAP, dividend proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend including dividend distribution tax thereon was recognised as a provision. Under Ind AS, such dividend is recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend (including tax) of ₹ 314.18 Lakhs as at 1 April 2016 included under provisions has been reversed with corresponding adjustment to retained earnings. Consequently, total equity has been increased by an equivalent amount.

c Remeasurements on post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on net defined benefit obligations are recognised in other comprehensive income instead of profit or loss. Under the Previous GAAP, these remeasurements were forming part of the profit or loss for the year. However, this has no impact on the total comprehensive income and total equity as on 1 April 2016 or as on 31 March 2017.

d Deferred tax

Under the Previous GAAP, deferred tax was accounted using the income statement approach, on timing differences between the taxable profit and accounting profit for the year. Under Ind AS, deferred tax is recognised following balance sheet approach on the temporary differences between the carrying amount of asset or liability in the balance sheet and its tax base. In addition, various transitional adjustments have also led to recognition of deferred taxes on new temporary differences.

Further, under previous GAAP, no deferred tax asset/liability was recognized on revalued amount of Property, Plant and Equipment since this was considered as permanent difference. Under Ind AS, deferred tax liability was recognized on such revalued amount.

e Provisions

Under Previous GAAP, discounting of provisions was not allowed. Under Ind AS, provisions are measured at discounted amounts, if the effect of time value is material. Accordingly, provision have been discounted to their present values. This change reduced the provision as at 31 March 2017 by ₹ 535.69 Lakhs (1 April 2016 - ₹ 451.18 Lakhs). Consequent to the same, the profit for the year and equity as at 31 March 2017 increased by an equivalent amount.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

First-time adoption of Ind AS (contd.)
f Security deposits

Under the previous GAAP, interest free security deposits (that are refundable in cash on completion of the agreement term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, Company has fair valued security deposits for rented properties and deposits with telecasting channel under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as prepaid expense. Consequent to this change, the amount of security deposit decreased by ₹ 108.55 Lakhs (1 April 2016 - ₹ 124.69 Lakhs). The prepaid Expense increased by ₹ 98.72 Lakhs as at 31 March 2017 (1 April 2016 - ₹ 116.03 Lakhs). Total equity decreased by ₹ 8.65 Lakhs as on 1 April 2016. The profit for the year and total equity as at 31 March 2017 decreased by ₹ 1.17 Lakhs due to amortisation of prepaid expense of ₹ 35.24 Lakhs which is partially off-set by the notional interest income of ₹ 34.07 Lakhs recognised on security deposit.

g Employee share based payment

(i) Under the previous GAAP, the cost of options granted under the Saregama Employee Stock Option Scheme 2013 (Scheme) [equity - settled] was recognised using the intrinsic value method. Under this method, no expenses were recognised in the Statement of Profit and Loss as the fair value of the shares on the date of grant equalled the exercise price. Under Ind AS, the cost of options granted under the Scheme is recognised based on the fair value of the options as on the grant date. In terms of the exemptions, the fair value of unvested options as at the date of transition have been accounted for as part of reserves. Accordingly, cost of share options totaling ₹ 7.83 lakhs which were granted before and still vesting at 1 April 2016, have been recognised as a separate component of equity in share option outstanding account against retained earnings at 1 April 2016.

Further, the amount recognised in share option outstanding account increased to ₹ 8.34 Lakhs as at 31 March 2017 (1 April 2016 - ₹ 7.83 Lakhs). The profit for the year ended 31 March 2017 decreased by ₹ 3.23 Lakhs. There is no impact on total equity.

(ii) Under the previous GAAP, the cost of Stock Appreciation Rights (SAR) granted pursuant to Stock Appreciation Rights Scheme 2014 (Scheme) [cash - settled] was recognised based on difference in the share price between the date of grant and reporting date. Under Ind AS, cost of SAR granted is recognised based on fair value of SAR as on the reporting date. This change increased the employee benefits payable at 31 March 2017 by ₹ 130.80 Lakhs (1 April 2016 - ₹ 124.04 Lakhs) and consequently Equity as at 31 March 2017 and 1 April 2016 decreased by an equivalent amount and profit for the year ended 31 March 2017 was decreased by ₹ 6.76 Lakhs.

h Property, plant and equipment

Under the previous GAAP, Property, plant and equipment were stated at revalued amount (for items revalued)/cost of acquisition (for items not revalued) less accumulated depreciation/amortisation and impairment loss, if any.

Under Ind AS, the Company elected to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. Subsequently, as on 31 March 2017, the Company has chosen the revaluation model for land and cost model for other items of PPE as its accounting policy. Accordingly, Company's land was revalued on 31 March 2017 by registered valuer using market approach. Resultant incremental value amounting to ₹ 11,640.29 lakhs were added to the book value of related land with corresponding credit to Revaluation Surplus. Further, revaluation reserve aggregating ₹ 50.87 lakhs which has been adjusted with the carrying amount of related items of PPE under previous GAAP is reversed and added to the equity as on 31 March 2017 under Ind AS. Consequently, profit for the year ended 31 March 2017 decreased by ₹ 13.43 Lakhs on account of depreciation charge on the increased value of PPE.

i Investment property

Under the previous GAAP, Investment Property were presented as part of property, plant and equipment. Under Ind AS, Investment properties are required to be separately presented on the face of the balance sheet. Accordingly, carrying amount PPE reduced by ₹ 247.18 Lakhs as at 31 March 2017 (1 April 2016 - ₹ 252.71 Lakhs) and same is disclosed as Investment Property in the respective period. However, there is no impact on the total equity or profit as a result of this adjustment.


NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

First-time adoption of Ind AS (contd.)**j Other comprehensive income**

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of Income and expense that are not recognised in profit or loss but are shown in the Statement of Profit and Loss as "Other Comprehensive Income" includes remeasurements of defined benefit plans and fair value gains or (losses) on equity instruments designated at FVOCI. The concept of other comprehensive income did not exist under previous GAAP.

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Jayanta Mukhopadhyay
Partner
Membership No.: 055757

Place : Kolkata
Date : 11 May 2018

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

V. Mehra
Managing Director
DIN: 03556680

Kamana Khetan
Company Secretary
ACS: 35161

Place : Kolkata
Date : 11 May 2018

G. B. Aayeer
Director and Chief Financial Officer
DIN: 00087760

Place : Kolkata
Date : 11 May 2018

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2018

(Amount in Rupees lakhs, except otherwise stated)

	Year ended 31 March 2018		Year ended 31 March 2017	
A. Cash flow from operating activities				
Profit before tax		4,111.64		1,729.95
Adjustments for:				
Depreciation and amortisation expenses	379.06		406.72	
Provision for impairment of copyright-music	-		45.83	
Provision for doubtful debts/advances	2,132.56		1,559.10	
Provision for diminution in carrying amount of investments	-		8.82	
Finance costs	336.69		231.83	
Liabilities no longer required written back	(353.00)		(466.72)	
Provision for doubtful debts/ advances no longer required written back	(82.58)		(28.50)	
Interest income	(772.91)		(698.04)	
Employee share-based payment expense	8.44		3.23	
Bad debt/advance written off	52.66		19.70	
Loss on disposal of property, plant and equipment	-		1.01	
Profit on sale of property, plant and equipment	(0.14)		(0.53)	
Dividend income from equity investments designated at fair value through Other Comprehensive Income	(151.20)		(126.01)	
		1,549.58		956.44
Operating profit before working capital changes		5,661.22		2,686.39
Changes in working capital				
Increase in trade payables	405.07		898.80	
Decrease/(Increase) in Other financial assets	2.25		(15.79)	
Increase/(Decrease) in Other financial liabilities	2,421.09		(537.57)	
(Decrease)/Increase in Employee benefits obligation	(47.09)		38.02	
Increase in Provisions	1,001.91		830.40	
Increase in Other current liabilities	484.08		131.72	
(Increase) in Other current assets	(2,248.54)		(307.34)	
(Increase) in Trade receivables	(2,899.31)		(805.39)	
(Increase) in Loans	(1,179.48)		(1,623.07)	
(Increase) in Inventories	(3,735.69)		(892.38)	
(Increase) in Other non-current assets	(914.45)		(72.28)	
(Increase) in Other bank balances	(154.52)		(1.87)	
		(6,864.68)		(2,356.75)
Cash generated from/ (used in) operations		(1,203.46)		329.64
Income taxes paid (net of refund)		(999.23)		(1,108.97)
Net cash used in Operating Activities		(2,202.69)		(779.33)

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

	Year ended 31 March 2018		Year ended 31 March 2017	
B. Cash flow from investing activities				
Purchase of property, plant and equipment	(261.20)		(210.65)	
Sale proceeds of property, plant and equipment	0.14		0.53	
Interest received	479.69		385.54	
Dividend received	151.20		126.01	
Proceeds from deposit with maturity more than 3 months	-		0.25	
Net cash generated from investing activities		369.83		301.68
C. Cash flow from financing activities				
Increase in borrowings	1,291.74		-	
Proceeds form issue of share capital	0.76		-	
Share premium received on issue of shares	3.32		-	
Dividend paid	(259.10)		(259.16)	
Dividend distribution tax paid	(53.14)		(53.14)	
Interest paid	(49.12)		(11.62)	
Other borrowing cost paid	(23.69)		(11.76)	
Net cash generated from/(used in) financing activities		910.77		(335.68)
Net decrease in cash and cash equivalents (A+B+C)		(922.09)		(813.33)
Cash and cash equivalents at the beginning of the year (refer note 10.2)		1557.88		2,371.21
Cash and cash equivalents at the end of the year (refer note 10.2)		635.79		1,557.88

Notes:

- The above Cash Flow Statement has been prepared under the Indirect Method as set out in Ind AS -7 " Statement of Cash Flows".
- Previous years figures have been regrouped/reclassified to conform to current year's presentation
- Reconciliation of liabilities from financing activities

	Balance as at 1 April 2017	Cash flows	Non-cash changes	Balance as at 31 March 2018
Borrowings	-	1,291.74	-	1,291.74
Total liabilities from financing activities	-	1,291.74	-	1,291.74

The accompanying notes 1 to 47 are an integral part of these Standalone Statement of Cash Flows

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Jayanta Mukhopadhyay
Partner
Membership No.: 055757

Place : Kolkata
Date : 11 May 2018

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

V. Mehra
Managing Director
DIN: 03556680

Kamana Khetan
Company Secretary
ACS: 35161

Place : Kolkata
Date : 11 May 2018

G. B. Aayeer
Director and Chief Financial Officer
DIN: 00087760

Place : Kolkata
Date : 11 May 2018

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To the Members of Saregama India Limited

Report on the Audit of Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Saregama India Limited (hereinafter referred to as “the Holding Company”) and its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”), which comprise the Consolidated Balance Sheet as at 31 March 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity for the year then ended, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated financial statements”).

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as “the Act”) that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with rules issued thereunder.

The respective 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 the Group 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 the 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 Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing these consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We are also responsible to conclude on the appropriateness of management's 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 ability of Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated Ind AS 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 auditor's report. However, future events or conditions may cause Group to cease to continue as a going concern.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 2 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS (contd.)

Opinion

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 and on the other financial information of the subsidiaries, the aforesaid consolidated Ind AS financial statements give the information required by the 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 financial position of the Group as at 31 March 2018, and their consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows for the year ended on that date.

Other Matters

1. The comparative financial information of the Group for the year ended 31 March 2017 and the transition date opening balance sheet as at 1 April 2016 included in these consolidated Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose reports for the year ended 31 March 2017 and 31 March 2016, dated 25 May 2017 and 25 May 2016 respectively, expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Group on transition to the Ind AS, which have been audited by us.
2. We did not audit the financial statements of four subsidiaries whose financial statements reflect total assets of ₹ 4,213.79 Lakhs as at 31 March 2018, total revenues of ₹ 1,744.52 Lakhs and net cash outflows amounting to ₹ 51.34 Lakhs for the year ended on that date, as considered in the consolidated Ind AS 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 Ind AS 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, insofar as it relates to the aforesaid subsidiaries is based solely on the 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 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 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 Company and audited by us.

Our opinion above on the consolidated Ind AS 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 and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'Other Matters' paragraph above, 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 Ind AS financial statements;
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS 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 Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
 - d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with rules issued thereunder;
 - e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2018 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's companies incorporated in India, is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act;
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A"; and

**INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS (contd.)**

- g) With respect to the other matters to be included in the Auditor's 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 and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other Matters' paragraph:
- i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 37 to the consolidated Ind AS 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 2018;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and
 - iv. The disclosures in the consolidated Ind AS 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 since they do not pertain to the financial year ended 31 March 2018. However amounts as appearing in the audited consolidated financial statements for the period ended 31 March 2017 have been disclosed.

For **B S R & Co. LLP**

Chartered Accountants

Firm registration number: 101248W/W-100022

Jayanta Mukhopadhyay

Partner

Membership no: 055757

Place: Kolkata

Date: 11 May 2018



ANNEXURE TO INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS (contd.)

Annexure - A to THE INDEPENDENT AUDITOR'S REPORT

(Referred to in our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of Saregama India Limited ("the Holding Company") as of and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting of the Holding Company as of that date. Our report under Section 143(3)(i) of the Act, on the adequacy and operating effectiveness of internal financial controls over financial reporting in so far as it relates to two subsidiaries incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries, incorporated in India.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company and its subsidiary companies incorporated in India considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI'). 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 Holding Company's and its subsidiary companies incorporated in India, internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls and, both issued by the ICAI. 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 over financial reporting was 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that whether 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 auditor's judgment, including the assessment of the risks of material misstatement of the 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 Holding Company's and its subsidiary companies incorporated in India, internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting 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 control over financial reporting 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 Ind AS 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 Over Financial Reporting

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

Opinion

In our opinion, the Holding Company and its subsidiary companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **BSR & Co. LLP**

Chartered Accountants

Firm registration number: 101248W/W-100022

Jayanta Mukhopadhyay

Partner

Membership no: 055757

Place: Kolkata

Date: 11 May 2018

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2018

(Amount in Rupees lakhs, except otherwise stated)

Particulars	Notes	(Amount in Rupees lakhs, except otherwise stated)		
		As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
ASSETS				
(1) Non-current assets				
(a) Property, plant and equipment	3	18,838.51	18,972.47	7,498.69
(b) Investment properties	4	241.65	247.18	252.71
(c) Intangible assets	5	653.14	672.26	715.00
(d) Investment accounted for using equity method	35(b)	-	-	-
(e) Financial assets				
(i) Investments	6.1	15,093.50	13,161.49	7,467.91
(ii) Loans	6.2	399.90	469.75	564.45
(iii) Other financial assets	6.3	0.25	2.50	2.00
(f) Other non-current assets	7	1,122.86	197.66	193.42
Total non-current assets		36,349.81	33,723.31	16,694.18
(2) Current assets				
(a) Inventories	8	4,931.20	1,033.60	127.39
(b) Financial assets				
(i) Trade receivables	9.1	7,303.02	5,227.05	4,605.26
(ii) Cash and cash equivalents	9.2	921.71	1,895.14	2,549.27
(iii) Bank balances other than (ii) above	9.3	161.79	7.27	45.55
(iv) Loans	9.4	14.63	271.25	17.71
(v) Other financial assets	9.5	4.91	6.30	17.25
(c) Current tax assets (net)	10	4,233.95	4,191.36	3,851.14
(d) Other current assets	11	3,918.21	1,618.37	1,361.72
Total current assets		21,489.42	14,250.34	12,575.29
TOTAL ASSETS		57,839.23	47,973.65	29,269.47
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	12.1	1,741.05	1,740.29	1,740.29
(b) Other equity	12.2	36,430.35	32,234.89	17,778.38
Equity Attributable to Owners of the Equity		38,171.40	33,975.18	19,518.67
Non-Controlling Interest		226.54	256.34	213.57
Total equity		38,397.94	34,231.52	19,732.24
Liabilities				
(1) Non-current liabilities				
(a) Employee benefit obligations	13	242.00	220.56	162.92
(b) Deferred tax liabilities (net)	14	4,793.22	4,438.04	1,206.92
Total non-current liabilities		5,035.22	4,658.60	1,369.84
(2) Current liabilities				
(a) Financial liabilities				
(i) Borrowings	15.1	1,587.29	295.55	295.55
(ii) Trade payables	15.2	4,040.50	3,840.64	2,978.04
(iii) Other financial liabilities	15.3	3,593.91	1,247.25	1,904.98
(b) Other current liabilities	16	1,491.48	905.50	1,008.51
(c) Provisions	17	3,613.56	2,632.09	1,882.57
(d) Employee benefit obligations	18	79.33	162.50	97.74
Total current liabilities		14,406.07	9,083.53	8,167.39
TOTAL LIABILITIES		19,441.29	13,742.13	9,537.23
TOTAL EQUITY AND LIABILITIES		57,839.23	47,973.65	29,269.47

The accompanying notes 1 to 45 are an integral part of these Consolidated Financial Statements.

As per our report of even date attached

For **BS R & Co. LLP**

Chartered Accountants

Firm Registration Number: 101248W/W-100022

Jayanta Mukhopadhyay

Partner

Membership No.: 055757

For and on behalf of the Board of Directors

Saregama India Limited

CIN : L22213WB1946PLC014346

V. Mehra

Managing Director

DIN: 03556680

Kamana Khetan

Company Secretary

ACS: 35161

G. B. Aayeer

Director and Chief Financial Officer

DIN: 00087760

Place : Kolkata

Date : 11 May 2018

Place : Kolkata

Date : 11 May 2018

Place : Kolkata

Date : 11 May 2018

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2018

Particulars	Notes	(Amount in Rupees lakhs, except otherwise stated)	
		Year ended 31 March 2018	Year ended 31 March 2017
I Revenue from operations	19	35,658.62	21,849.51
II Other income	20	1,019.24	1,328.09
III Total income (I+II)		36,677.86	23,177.60
IV Expenses			
Cost of material consumed/ Contract manufacturing charges	21	10,835.66	649.25
Cost of production of films, television serials and portal	22	5,222.52	6,324.87
Changes in inventories of finished goods and work-in-progress [(increase)/ decrease]	23	(3,911.62)	(892.85)
Employee benefits expense	24	6,006.85	4,942.54
Finance costs	25	336.69	235.23
Depreciation and amortisation expense	26	415.21	442.86
Other expenses	27	13,880.16	9,882.25
Total expenses (IV)		32,785.47	21,584.15
V Profit before tax (III-IV)		3,892.39	1,593.45
VI Tax expense			
- Current tax	28	981.56	1,022.56
- Excess provision of earlier years written back		-	(187.60)
- Deferred tax [charge/(credit)]	14	80.66	(106.38)
Total tax expense		1,062.22	728.58
VII Profit for the year (V-VI)		2,830.17	864.87
VIII Other comprehensive income			
Items that will be reclassified subsequently to profit or loss:			
(a) Exchange differences on translation of foreign operations		(35.98)	79.06
Items that will not be reclassified subsequently to profit or loss:			
(a) Remeasurements of post-employment benefit obligations		25.04	(78.01)
(b) Changes in fair value of equity instruments designated at FVOCI		1,932.01	5,693.59
(c) Revaluation gains relating to property, plant and equipment		-	11,640.29
(d) Income tax relating to items that will not be reclassified subsequently to profit or loss	14	(284.94)	(3,315.46)
Other comprehensive income for the year, net of tax		1,636.13	14,019.47
IX Total comprehensive income for the year (VII+VIII)		4,466.30	14,884.34
Profit attributable to :-			
(a) Owners of the equity		2,851.48	840.75
(b) Non-Controlling Interest		(21.31)	24.12
Other comprehensive income attributable to :-			
(a) Owners of the equity		1,644.62	14,000.82
(b) Non-Controlling Interest		(8.49)	18.65
Total comprehensive income attributable to :-			
(a) Owners of the equity		4,496.10	14,841.57
(b) Non-Controlling Interest		(29.80)	42.77
X Earnings per equity share: [Nominal value per share ₹ 10 (previous year - ₹ 10)]			
Basic (₹)		16.26	4.97
Diluted (₹)		16.24	4.96

The accompanying notes 1 to 45 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 Registration Number: 101248W/W-100022

Jayanta Mukhopadhyay
Partner
Membership No.: 055757

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

V. Mehra
Managing Director
DIN: 03556680

Kamana Khetan
Company Secretary
ACS: 35161

G. B. Aayeer
Director and Chief Financial Officer
DIN: 00087760

Place : Kolkata
Date : 11 May 2018

Place : Kolkata
Date : 11 May 2018

Place : Kolkata
Date : 11 May 2018

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018

(Amount in Rupees lakhs, except otherwise stated)

A. Equity share capital**Description**

As at 1 April 2016

Changes in equity share capital

As at 31 March 2017

Changes in equity share capital

As at 31 March 2018

	Number of shares	Amount
As at 1 April 2016	17,402,938	1,740.29
Changes in equity share capital	-	-
As at 31 March 2017	17,402,938	1,740.29
Changes in equity share capital	7,554	0.76
As at 31 March 2018	17,410,492	1,741.05

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 reserve	Share options outstanding reserve	Retained earnings	Revaluation surplus	Equity instruments through OCI	Other items of other comprehensive income (FCTR)		
Balance as at 1 April 2016	55.19	693.95	10,249.40	7.83	2,300.84	1,397.59	3,073.57	-	213.57	17,991.95
Profit for the year	-	-	-	-	840.75	-	-	-	24.12	864.87
Other comprehensive income (net of tax)	-	-	-	-	(51.01)	8,954.64	5,036.78	60.41	18.65	14,019.47
Total comprehensive income for the year	-	-	-	-	789.74	8,954.64	5,036.78	60.41	42.77	14,884.34
Final dividend on equity shares for the financial year 2015-16	-	-	-	-	(261.04)	-	-	-	-	(261.04)
Dividend distribution tax on above	-	-	-	-	(53.14)	-	-	-	-	(53.14)
Recognition of share based payment expense	-	-	-	0.51	-	-	-	-	-	0.51
Surplus on revaluation of property, plant and equipment	-	-	-	-	-	4.96	-	-	-	4.96
Transfer from share option reserve on lapse	-	-	-	-	2.72	-	-	-	-	2.72
Transfer to Other Comprehensive Income	-	-	-	-	(79.06)	-	-	-	-	(79.06)
Balance as at 31 March 2017	55.19	693.95	10,249.40	8.34	2,700.06	10,357.19	8,110.36	60.41	256.34	32,491.24

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

Particulars	Reserve and surplus					Item of Other Comprehensive Income (OCI)			Non-Controlling Interest	Total other equity
	Capital reserve	General reserve	Securities premium reserve	Share options outstanding reserve	Retained earnings	Revaluation surplus	Equity instruments through OCI	Other items of other comprehensive income (FCTR)		
Balance as at 1 April 2017	55.19	693.95	10,249.40	8.34	2,700.06	10,357.19	8,110.36	60.41	256.34	32,491.24
Profit for the year	-	-	-	-	2,851.48	-	-	-	(21.31)	2,830.17
Other comprehensive income (net of tax)	-	-	-	-	16.38	(40.75)	1,696.49	(27.49)	(8.49)	1,636.13
Total comprehensive income for the year	-	-	-	-	2,867.86	(40.75)	1,696.49	(27.49)	(29.80)	4,466.30
Issue of equity shares under Saregama Employee Stock Option Scheme 2013	-	-	3.32	-	-	-	-	-	-	3.32
Final dividend on equity shares for the financial year 2016-17	-	-	-	-	(261.04)	-	-	-	-	(261.04)
Dividend distribution tax on above	-	-	-	-	(53.14)	-	-	-	-	(53.14)
Recognition of share based payment expense	-	-	-	6.03	-	-	-	-	-	6.03
Surplus on revaluation of property, plant and equipment	-	-	-	-	-	1.76	-	-	-	1.76
Transfer from share option reserve on lapse	-	-	-	-	2.41	-	-	-	-	2.41
Balance as at 31 March 2018	55.19	693.95	10,252.72	14.37	5,256.15	10,318.20	9,806.85	32.92	226.54	36,656.88

The accompanying notes 1 to 45 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 Registration Number: 101248W/W-100022

Jayanta Mukhopadhyay
Partner
Membership No.: 055757

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

V. Mehra
Managing Director
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G. B. Aayeer
Director and Chief Financial Officer
DIN: 00087760

Place : Kolkata
Date : 11 May 2018

Place : Kolkata
Date : 11 May 2018

Place : Kolkata
Date : 11 May 2018

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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 (hereinafter referred as “Group”) is primarily engaged in the business of manufacturing and sale of Music storage device viz. Carvaan, Mini 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 40. Equity shares of the Parent Company are listed on the BSE Limited (BSE), the National Stock Exchange of India Limited (NSE) and the Calcutta Stock Exchange (CSE). 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 11 May 2018.

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 financial statements and in preparing the opening Ind AS Balance Sheet as at April 1, 2016 for the purpose of transition to Ind AS, unless otherwise indicated.

(a) Basis of the Preparation

(i) Statement of compliance

The 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.

The Consolidated Financial Statements up to year ended 31 March 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (Previous GAAP).

The transition from Previous GAAP to Ind AS has been accounted for in accordance with Ind AS 101 “First Time Adoption of Indian Accounting Standards”, with 1 April 2016 being the transition date.

In accordance with Ind AS 101 “First time adoption of Indian Accounting Standard”, the Company has presented a reconciliation from the presentation of consolidated financial statements under accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (“Previous GAAP”) to Ind AS of total equity as at 1 April 2016 and 31 March 2017, total comprehensive income and cash flow for the year ended 31 March 2017.

(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 Company operates (‘the functional currency’). The consolidated financial statements are presented in Indian Rupee (₹), 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 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

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.

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).

Joint ventures

Interest in joint ventures are accounted for using the equity method (see below), after initially being recognised at cost in the consolidated balance sheet.

Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its joint venture are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provide evidence of an impairment of the asset transferred. Accounting policies of equity accounted investee have been changed where necessary to ensure consistency with the policies adopted by the group.

(v) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The chief operating decision maker is responsible for allocating resources and assessing performance of the operating segments and has been identified as the Chief Financial Officer of the Group. Refer note 40 for segment information presented.

(vi) Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian Rupee (₹), 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

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade discounts, incentives, rebates, value added taxes, goods and service taxes and amounts collected on behalf of third parties.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

The Group recognises revenue when the amount of revenue can be measured reliably, there is no continuing effective control over or managerial involvement with the goods and it is probable that future economic benefits will flow to the Group and specific criteria have been met for each of the Group's activities as described below. Revenue from services is recognised in the periods in which the services are rendered. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Sale of products and licence fees

Revenue from sales is recognised on transfer of significant risks and rewards of ownership to customers based on agreement with the customers, the amount of revenue can be measured reliably, there is no continuing effective control over or managerial involvement with the goods and recovery of the consideration is probable. Licence Fees represent income from music rights.

Income from sale of TV software (including free commercial time)

Revenue on sale/licensing of television software are recognised on delivery. The amount recognised is at the predetermined price, the collection of which is reasonably assured.

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 sales: 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/licencing of film rights: Revenue is recognised on effective delivery of materials to customers as per terms of the sale/licencing agreements. Sale of overseas rights are recognised on licencing of such rights.

Advertising Revenue: Revenue from current affairs and features magazine is recognised in the period in which the magazines are published and are accounted for net of commission and discounts.

Interest Income

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

Dividend Income

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

Rental Income

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

(c) Property, Plant and Equipment - (PPE)

All items of property, plant and equipment other than freehold land are stated at historical cost 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 profit or loss during the reporting period in which they are incurred.

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

Depreciation method, estimated useful lives and residual values

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

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

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

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

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

Transition to Ind AS

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

(d) Investment Properties

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

Investment properties are depreciated using the straight-line method over their estimated useful lives.

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 CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (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 Group amortises intangible assets with a finite useful lives using the straight-line method over the following periods:

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

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

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

Transition to Ind AS

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

(f) Impairment of non-financial assets

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

(g) Leases

As a Lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a Lessor

Lease income from operating leases where the Group is a lessor is recognised as income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

(h) Inventories

Inventories are valued at lower of cost and net realisable value. The cost is determined on weighted average basis, and includes, where applicable, appropriate share of overheads. Provision is made for obsolete / slow moving / defective stocks, where necessary.

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

Digital Films under production are included under 'Work-in-Progress'.

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 assets

(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), and
- those to be measured at amortised cost.

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.

(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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (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 32(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 permitted by 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) **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 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) **Financial liabilities**

Trade payables and other financial liabilities are initially recognised at the value of the respective contractual obligations. They are subsequently measured at amortised cost. Any discount or premium on redemption / settlement is recognised in the Statement of Profit and Loss as finance cost over the life of the liability using the effective interest method and adjusted to the liability figure disclosed in the Balance Sheet.

Financial liabilities are derecognised when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled and on expiry.

(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 Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)
(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.

(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.

(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 recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as 'Employee Benefits Payable' within 'Other financial 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 and in the Balance Sheet.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Group makes specified monthly contributions for employee provident fund to Government administered provident fund scheme, which are defined contribution plans. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in Statement of Profit and Loss in the periods during which the related services are rendered by employees.

(iv) Share-based payments

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

Employee options (equity settled)

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

- Including any market performance conditions (e.g., the entity's share price)
- excluding the impact of any services and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining and employee of the entity over a specified time period), and
- 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).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

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.

Transition to Ind AS

On transition to Ind AS, the cost of Saregama Employee Stock Option Scheme 2013 (Stock Options) is recognised based on the fair value of Stock Options as on the grant date. In terms of the exemptions, the fair value of unvested Stock Options as on the date of transition have been accounted for as part of Reserves. While the fair value of Stock Options granted and vesting after the transition date are recognised in profit and loss.

Share Appreciation Rights (SARs) (cash settled)

The fair value of the amount payable to employees in respect of SARs, which are settled in cash, is recognised as an expense with a corresponding increase in liabilities, over the period that the employees unconditionally become entitled to the payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the SARs. Any changes in the fair value of the liability are recognised in profit or loss.

(r) Royalty

Minimum Guarantee Royalty paid for acquiring rights is recognised as expense within the license period or ten years, whichever is earlier. Royalty on sales, licence fees and other royalty payments are charged to statement of Profit and Loss at agreed rates on related sales.

(s) Income tax

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

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

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

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

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

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

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

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the entity will pay normal income tax in excess of MAT during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax in excess of MAT during the specified period.

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 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.

(u) Dividend

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Company, on or before the end of the reporting period but not distributed at the end of the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

(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

(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

Revenue from contracts with customers- Ind AS 115

Ind AS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including Ind AS 18 Revenue and Ind AS 11 Construction Contracts. On 28 March 2018, the Ministry of Corporate Affairs (MCA) has notified that Ind AS 115 will be effective for accounting periods beginning on or after 1 April 2018. The amendments is applicable to the Group from 1 April 2018. The impact of this amendment is yet to be assessed by the Group.

2 CRITICAL ESTIMATES AND JUDGEMENTS

The preparation of consolidated 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 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 29**
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 32**
Impairment of trade receivables is primarily estimated based on prior experience with and the past due status of receivables, based on factors that include ability to pay and payment history. The assumptions and estimates applied for determining the provision for impairment are reviewed periodically.
- **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 37**
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 14**
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)(ii), (v) and Note 31**
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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (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 2017	Addition/ adjustments	Deductions/ adjustments	Cost as at 31 March 2018	As at 1 April 2017	Depreciation for the year	Deductions/ adjustments	As at 31 March 2018	As at 31 March 2018	As at 31 March 2017
Land - Freehold	18,207.76	-	-	18,207.76	-	-	-	-	18,207.76	18,207.76
Buildings - Freehold	70.59	-	-	70.59	15.75	3.97	-	19.72	50.87	54.84
Leasehold buildings	37.71	-	-	37.71	0.80	0.80	-	1.60	36.11	36.91
Plant and equipment	5.21	-	2.07	3.14	1.99	1.36	2.07	1.28	1.86	3.22
Furniture and fixtures	420.52	6.91	0.19	427.24	74.09	71.94	0.19	145.84	281.40	346.43
Office equipment	467.94	92.69	4.95	555.68	150.48	151.79	4.95	297.32	258.36	317.46
Vehicles	10.05	-	-	10.05	4.20	3.70	-	7.90	2.15	5.85
Total	19,219.78	99.60	7.21	19,312.17	247.31	233.56	7.21	473.66	18,838.51	18,972.47

3.1 Property, plant and equipment

Description	Gross carrying amount				Accumulated depreciation			Carrying amount (net)	
	Cost/ Deemed cost as at 1 April 2016	Addition/ adjustments	Deductions/ adjustments	Cost as at 31 March 2017	Depreciation for the year	Deductions/ adjustments	As at 31 March 2017	As at 31 March 2017	As at 31 March 2017
Land - Freehold	6,567.47	11,640.29	-	18,207.76	-	-	-	-	18,207.76
Buildings - Freehold	70.59	-	-	70.59	15.75	-	15.75	15.75	54.84
Leasehold buildings	37.71	-	-	37.71	0.80	-	0.80	0.80	36.91
Plant and equipment	5.21	-	-	5.21	1.99	-	1.99	1.99	3.22
Furniture and fixtures	408.48	12.04	-	420.52	74.09	-	74.09	74.09	346.43
Office equipment	399.18	69.33	0.57	467.94	150.48	-	150.48	150.48	317.46
Vehicles	10.05	-	-	10.05	4.20	-	4.20	4.20	5.85
Total	7,498.69	11,721.66	0.57	19,219.78	247.31	-	247.31	247.31	18,972.47

3.2 The Parent Company has chosen the revaluation model for land and cost model for other items of PPE as its accounting policy. Accordingly, Parent Company's land was revalued during previous year by registered valuer using market approach. Resultant incremental value amounting to ₹ 11,640.29 lakhs were added to the book value of related land with corresponding credit to OCI and equity.

3.3 Title deeds of the immovable properties as set out in the above table are in the name of the Parent Company.

3.4 The Parent Company has borrowings from banks which carry charge over certain of the above property, plant and equipment. (Refer Note 15.1 for details)

3.5 Aggregate amount of depreciation has been included under 'Depreciation and amortisation expense' in the Statement of Profit and Loss (Refer Note 26).

3.6 Group has elected to measure all its property, plant and equipment at the previous GAAP carrying amount as at 31 March 2016 as its deemed cost (Gross carrying amount) on the date of transition to Ind AS, i.e, 1 April 2016. The carrying value of PPE as per IGAAP is mentioned below:

Property, plant and equipment

Description	Gross carrying amount	Accumulated depreciation	Provision for loss on impairment of PPE	Carrying amount (net)
	Cost/Valuation as at 31 March 2016	As at 31 March 2016	As at 31 March 2016	As at 31 March 2016
Land - Freehold	6,567.47	-	-	6,567.47
Buildings - Freehold *	771.96	448.66	-	323.30
Leasehold buildings	70.60	32.89	-	37.71
Plant and equipment	1,769.15	1,763.94	-	5.21
Furniture and fixtures	911.49	503.02	-	408.47
Office equipment	2,078.63	1,679.44	-	399.19
Vehicles	73.13	63.08	-	10.05
Total	12,242.43	4,491.03	-	7,751.40
Share of Joint venture	315.22	94.11	221.11	-
Total	12,557.65	4,585.14	221.11	7,751.40

*Building - Freehold includes carrying amount ₹ 252.71 Lakhs reclassified to Investment Property on transition to Ind AS. (Refer Note 4)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

4 INVESTMENT PROPERTIES

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Cost or deemed cost (gross carrying amount)			
At the beginning of the year	252.71	252.71	-
Reclassification from Building - freehold (Refer Note 3.6)	-	-	252.71
At the end of the year	252.71	252.71	252.71
Accumulated depreciation			
At the beginning of the year	5.53	-	-
Depreciation charge during the year	5.53	5.53	-
At the end of the year	11.06	5.53	-
Carrying amount (net)	241.65	247.18	252.71

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

	Year ended 31 March 2018	Year ended 31 March 2017
Rental income	21.75	4.38
Profit from investment properties before depreciation	21.75	4.38
Depreciation	5.53	5.53
Profit/(loss) from investment properties	16.22	(1.15)

(ii) Fair value

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Investment properties	1,828.04	1,776.36	1,733.36

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.

5 INTANGIBLE ASSETS

Description	Gross carrying amount				Accumulated amortisation and impairment							Carrying amount (net)	
	Cost as at 1 April 2017	Addition/ adjust- ments	Deductions/ adjustments	Cost as at 31 March 2018	Amortisa- tion as at 1 April 2017	Impairment as at 1 April 2017	Amortisation for the year	Impairment for the year	Deduc- tions/ ad- justments	Amortisa- tion as at 31 March 2018	Impairment as at 31 March 2018	As at 31 March 2018	As at 31 March 2017
Copyrights-Music	778.48	156.75	-	935.23	136.49	45.83	149.34	-	-	285.83	45.83	603.57	596.16
Computer software	129.63	0.25	-	129.88	53.53	-	26.78	-	-	80.31	-	49.57	76.10
Total	908.11	157.00	-	1,065.11	190.02	45.83	176.12	-	-	366.14	45.83	653.14	672.26

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

5.1 Intangible assets

Description	Gross carrying amount				Accumulated amortisation and impairment					Carrying amount (net)
	Cost/ Deemed cost as at 1 April 2016	Addition/ adjustments	Deductions/ adjustments	Cost as at 31 March 2017	Amortisation for the year	Impairment for the year	Deductions / adjustments	Amortisation as at 31 March 2017	Impairment as at 31 March 2017	As at 31 March 2017
Copyrights-Music	658.93	119.55	-	778.48	136.49	45.83	-	136.49	45.83	596.16
Computer software	56.07	74.00	0.44	129.63	53.53	-	-	53.53	-	76.10
Total	715.00	193.55	0.44	908.11	190.02	45.83	-	190.02	45.83	672.26

5.2 The amortisation expense of intangible assets have been included under 'Depreciation and amortisation expense' in the Statement of Profit and Loss. (Refer Note 26)

5.3 Group has elected to measure all its intangible assets at the previous GAAP carrying amount as at 31 March 2016 as its deemed cost (Gross carrying amount) on the date of transition to Ind AS, i.e, 1 April 2016. The carrying value of Intangible assets as per IGAAP is mentioned below:

Intangible assets

Description	Gross carrying amount	Accumulated amortisation	Provision for loss on impairment of Intangible assets	Carrying amount (net)
	Cost as at 31 March 2016	As at 31 March 2016	As at 31 March 2016	As at 31 March 2016
Goodwill on Consolidation	1,281.75	-	1,281.75	-
Copyrights-Music	1,975.95	1,317.02	-	658.93
Feature Film	3,759.72	3,759.72	-	-
Computer software	696.92	640.85	-	56.07
Total	7,714.34	5,717.59	1,281.75	715.00
Share of Joint venture	7.61	7.61	-	-
Total	7,721.95	5,725.20	1,281.75	715.00

6.1 NON-CURRENT INVESTMENTS

	Face value of each unit	Number of shares as at 31 March 2018	Number of shares as at 31 March 2017	Number of shares as at 1 April 2016	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Investments carried at fair value through other comprehensive income							
Quoted - fully paid equity shares in other companies							
CESC Limited	₹ 10	1,544,988	1,544,988	1,544,988	14,927.67	12,996.44	7,303.16
Phillips Carbon Black Limited	₹ 10	100	100	100	1.09	0.33	0.10
Harrisons Malayalam Limited	₹ 10	100	100	100	0.07	0.08	0.05
CFL Capital Financial Services Limited	₹ 10	100	100	100	0.02	0.02	0.02
STEL Holdings Limited	₹ 10	100	100	100	0.10	0.07	0.03
Unquoted - fully paid equity shares in other companies							
Spencer and Company Limited	₹ 9	200	200	200	0.39	0.39	0.39
Woodlands Multispeciality Hospital Limited	₹ 10	2,250	2,250	2,250	3.76	3.76	3.76
Timbre Media Private Limited	₹ 10	230,000	230,000	230,000	160.40	160.40	160.40
Total non-current investments					15,093.50	13,161.49	7,467.91
Aggregate carrying value of quoted investments and market value thereof					14,928.95	12,996.94	7,303.36
Aggregate carrying value of unquoted investments					164.55	164.55	164.55
Aggregate provision for impairment in the value of investments					-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

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

	Fair value as at 31 March 2018	Dividend income recognised during 2017-18	Fair value as at 31 March 2017	Dividend income recognised during 2016-17	Fair value as at 1 April 2016
Investment in CESC Limited	14,927.67	185.39	12,996.44	154.50	7,303.16
Investment in Phillips Carbon Black Limited	1.09	0.01	0.33	0.01	0.10
Investment in Harrisons Malayalam Limited	0.07	-	0.08	-	0.05
Investment in CFL Capital Financial Services Limited	0.02	-	0.02	-	0.02
Investment in STEL Holdings Limited	0.10	-	0.07	-	0.03
Total	14,928.95	185.40	12,996.94	154.51	7,303.36

6.2 LOANS

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Security deposits			
Unsecured, considered good	399.90	469.75	564.33
Loan to employees			
Unsecured, considered good	-	-	0.12
Total Loans	399.90	469.75	564.45

6.3 OTHER FINANCIAL ASSETS (NON - CURRENT)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Bank deposits with maturity more than 12 months*			
Unsecured, considered good	0.25	2.50	2.00
Total other financial assets (non - current)	0.25	2.50	2.00

* Lodged with Government authority ₹ 0.25 Lakh [(31 March 2017 - ₹ 0.25 Lakhs) ; (1 April 2016 - ₹ Nil)]

7 OTHER NON - CURRENT ASSETS

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Capital Advances			
Unsecured, considered good	984.88	32.50	96.45
Unsecured, considered doubtful	12.75	14.88	14.88
Less: Provision for doubtful advances	(12.75)	(14.88)	(14.88)
	984.88	32.50	96.45
Other advance			
Prepaid expenses			
Unsecured, considered good	137.98	165.16	96.97
Total other non - current assets	1,122.86	197.66	193.42

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

8 INVENTORIES [Refer Note:1(h)]

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Raw materials	30.07	44.09	30.73
Finished goods			
Untelecasted television serials/films	110.47	124.84	83.60
Music card/carvaan/others	3,641.24	146.74	13.06
Work in progress			
Digital films under production	1,149.42	717.93	-
Total inventories	4,931.20	1,033.60	127.39

9 FINANCIAL ASSETS (CURRENT)**9.1 TRADE RECEIVABLES**

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Trade receivables			
Unsecured, considered good	7,303.02	5,227.05	4,605.26
Unsecured, considered doubtful	1,464.21	1,986.63	1,827.12
Less: Provision for doubtful debts	(1,464.21)	(1,986.63)	(1,827.12)
Total trade receivables	7,303.02	5,227.05	4,605.26

9.2 CASH AND CASH EQUIVALENTS

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Cash on hand	1.62	1.08	5.36
Cheques on hand	-	0.14	0.91
Bank balances			
Current accounts	920.09	893.92	843.00
Demand deposits with banks (upto 3 months maturity)*	-	1,000.00	1,700.00
Total cash and cash equivalents	921.71	1,895.14	2,549.27

* (Include ₹ Nil held as margin money against letter of credit facility; 31 March 2017: ₹ 300 Lakhs ; 1 April 2016: ₹ Nil)

Disclosures relating to Specified Bank Notes*(SBNs) held and transacted during the period from 8 November, 2016 to 30 December, 2016

Particulars	SBNs*	Other Denomination Notes	Total
Closing cash in hand as on 8 November, 2016	6.21	2.17	8.38
(+) Permitted Receipts	-	9.73	9.73
(-) Permitted Payment	(1.72)	(9.84)	(11.56)
(-) Amount deposited in Banks	(4.49)	-	(4.49)
Closing cash in hand as on 30 December, 2016	-	2.06	2.06

* Specified Bank Notes (SBNs) mean the bank notes of denominations of the existing series of the value of five hundred and one thousand rupees as defined under the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs no.S.O.3407(E) dated the 8 November 2016.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

9.3 OTHER BANK BALANCES

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Deposits (with maturity more than 3 months but less than 12 months)	-	-	40.15
Earmarked Balances with Bank			
Deposits (with maturity more than 3 months but less than 12 months) #	152.58	-	-
Unpaid dividend accounts @	9.21	7.27	5.40
Total other bank balances	161.79	7.27	45.55

@ Earmarked for payment of unclaimed dividend

Include ₹ 152.58 Lakhs deposited with Delhi Court; 31 March 2017: ₹ Nil ; 1 April 2016: ₹ Nil

9.4 LOANS

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Loan to employees			
Unsecured, considered Good	14.63	13.17	17.71
Amount held by director in trust for the Company (Refer note 41.3)			
Unsecured, considered Good	-	258.08	-
Total loans	14.63	271.25	17.71

9.5 OTHER FINANCIAL ASSETS

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Interest accrued on deposits with banks	4.91	6.30	17.25
Total other financial assets	4.91	6.30	17.25

10 CURRENT TAX ASSETS (NET)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Advance payment of Income Tax and Tax Deducted at Source [net of Provision for Taxation ₹ 4,954.91 Lakhs; (31 March 2017- ₹ 3,973.34 Lakhs; 1 April 2016 - ₹ 3,165.38 Lakhs)]	4,233.95	4,191.36	3,851.14
Total current tax assets (net)	4,233.95	4,191.36	3,851.14

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

11 OTHER CURRENT ASSETS

(Unsecured, considered good unless otherwise stated)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Minimum guarantee royalty advances	622.45	102.15	199.33
Royalty advances			
Unsecured considered good	191.01	225.27	296.72
Unsecured considered doubtful	432.44	434.05	398.78
Less: Provision for doubtful advances	(432.44)	(434.05)	(398.78)
	191.01	225.27	296.72
Advance against TV projects /films			
Unsecured considered good	51.78	356.71	5.51
Unsecured considered doubtful	175.21	190.21	190.21
Less: Provision for doubtful advances	(175.21)	(190.21)	(190.21)
	51.78	356.71	5.51
Prepaid expenses			
Unsecured considered good	296.89	336.54	382.04
Unsecured considered doubtful	44.06	125.19	125.19
Less: Provision for doubtful advances	(44.06)	(125.19)	(125.19)
	296.89	336.54	382.04
Amount recoverable from custom authorities	17.69	-	-
Gratuity (Refer Note 29)	1.84	8.19	7.54
Advance to artist / for event			
Unsecured considered good	540.13	13.35	28.36
Unsecured considered doubtful	155.77	427.35	427.35
Less: Provision for doubtful advances	(155.77)	(427.35)	(427.35)
	540.13	13.35	28.36
Advance against supply of goods	974.15	81.22	-
Balances with government authorities	1,202.19	474.86	422.14
Advance payment of fringe benefit tax (net of Provision ₹ 147.87 Lakhs; 31 March 2017- ₹ 147.87 Lakhs; 1 April 2016- ₹ 147.87 Lakhs)	20.08	20.08	20.08
Total other current assets	3,918.21	1,618.37	1,361.72

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

12 EQUITY SHARE CAPITAL AND OTHER EQUITY**12.1 EQUITY SHARE CAPITAL**

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Authorised						
Ordinary shares of ₹ 10 each	25,000,000	2,500.00	25,000,000	2,500.00	25,000,000	2,500.00
Issued						
Ordinary shares of ₹ 10 each	17,410,492	1,741.05	17,402,938	1,740.29	17,402,938	1,740.29
Subscribed and fully paid up						
Ordinary shares of ₹ 10 each	17,410,492	1,741.05	17,402,938	1,740.29	17,402,938	1,740.29

Reconciliation of number of ordinary shares outstanding

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
As at the beginning of the year	17,402,938	1,740.29	17,402,938	1,740.29	17,402,938	1,740.29
Add: Issue of shares on exercise of Options	7,554	0.76	-	-	-	-
As at the end of the year	17,410,492	1,741.05	17,402,938	1,740.29	17,402,938	1,740.29

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 March 2017 - 5,290; 1 April 2016-5,290] equity shares (relating to cases under litigation/ pending clearance from the concerned authorities) are kept in abeyance as on 31st March, 2018.

Rights, preferences and restrictions attached to shares

The Parent Company has only one class of equity shares having a par value of ₹ 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 2018		As at 31 March 2017		As at 1 April 2016	
	Number of shares held	Amount	Number of shares held	Amount	Number of shares held	Amount
Rainbow Investments Limited (up to 28 March 2017)	-	-	-	-	10,291,599	1029.16
Composure Services Private Limited (w.e.f. from 29 March 2017)	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 2018		As at 31 March 2017		As at 1 April 2016	
	Number of shares held	Holding percentage	Number of shares held	Holding percentage	Number of shares held	Holding percentage
Rainbow Investments Limited	-	-	-	-	10,291,599	59.14%
Composure Services Private Limited	10,291,599	59.14%	10,291,599	59.14%	-	-
Reliance Capital Limited	-	-	-	-	1,188,000	6.83%
Reliance Spot Exchange Infrastructure Limited	-	-	1,188,000	6.83%	-	-

Stock option schemes and stock appreciation rights

Information relating to Employee Option Plan, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in Note 31.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

12.2 OTHER EQUITY

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Capital reserve	55.19	55.19	55.19
General reserve	693.95	693.95	693.95
Securities premium reserve	10,252.72	10,249.40	10,249.40
Revaluation reserve	10,318.20	10,357.19	1,397.59
Share option outstanding reserve	14.37	8.34	7.83
Retained earnings	5,256.15	2,700.06	2,300.84
Equity instrument through OCI	9,806.85	8,110.36	3,073.57
Foreign currency translation reserve	32.92	60.41	-
Total reserves and surplus	36,430.35	32,234.89	17,778.38

- (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

Balance at the beginning of the year

Balance at the end of the year

As at 31 March 2018	As at 31 March 2017
55.19	55.19
55.19	55.19

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

Particulars

Balance at the beginning of the year

Balance at the end of the year

As at 31 March 2018	As at 31 March 2017
693.95	693.95
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

Balance at the beginning of the year

Add: 7754 Shares issue @ ₹ 43.95 per Share on exercise of Options

Balance at the end of the year

As at 31 March 2018	As at 31 March 2017
10,249.40	10,249.40
3.32	-
10,252.72	10,249.40

- (iv) **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

Balance at the beginning of the year

Surplus on Revaluation of Land

Deferred tax on revaluation of Land

Deferred tax on revaluation of PPE

Balance at the end of the year

As at 31 March 2018	As at 31 March 2017
10,357.19	1,397.59
-	11,640.29
(40.75)	(2,685.65)
1.76	4.96
10,318.20	10,357.19

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

- (v) **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 2018	As at 31 March 2017
Balance at the beginning of the year	8.34	7.83
Employee stock option expense	8.44	8.18
Reversal on account of forfeiture	(2.41)	(7.67)
Balance at the end of the year	14.37	8.34

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

Particulars

	As at 31 March 2018	As at 31 March 2017
Balance at the beginning of the year	2,700.06	2,300.84
Net profit for the period	2,851.48	840.75
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment benefit obligation, net of tax	16.38	(51.01)
Dividends paid	(261.04)	(261.04)
Dividends distribution tax paid	(53.14)	(53.14)
Transfer from share option reserve on lapse	2.41	2.72
Transfer to Other Comprehensive Income	-	(79.06)
Balance at the end of the year	5,256.15	2,700.06

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

Particulars

	As at 31 March 2018	As at 31 March 2017
Balance at the beginning of the year	8,110.36	3,073.57
Changes in fair value of FVOCI equity instruments during the year	1,932.01	5,693.59
Deferred tax on above	(235.52)	(656.81)
Balance at the end of the year	9,806.85	8,110.36

- (viii) **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 2018	As at 31 March 2017
Balance at the beginning of the year	60.41	-
Add/(Less) Other comprehensive income for the year	(27.49)	60.41
Balance at the end of the year	32.92	60.41

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

13 EMPLOYEE BENEFIT OBLIGATIONS (NON-CURRENT)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Leave encashment obligations	242.00	220.56	162.92
Total employee benefit obligations (non-current)	242.00	220.56	162.92

14 DEFERRED TAX LIABILITY (NET)

The balance comprises temporary differences attributable to:

	Balance as at 1 April 2017	Recognised to profit or loss during the year	Recognised to/ reclassified from OCI	Recognised directly to other equity	Balance as at 31 March 2018
Deferred tax liability					
Investment in equity shares	1,079.01	-	235.52	-	1,314.53
Property, plant and equipment, intangible assets and investment property	4,282.85	(21.02)	40.75	(1.76)	4,300.82
Provision for Royalty on Licence Fees	29.25	(2.18)	-	-	27.07
Total deferred tax liability	5,391.11	(23.20)	276.27	(1.76)	5,642.42
Deferred tax asset					
Provisions for doubtful debts and advances	674.74	(181.96)	-	-	492.78
Unamortised expenditure allowable for tax purpose in subsequent years	233.06	(64.50)	-	-	168.56
Stock appreciation rights	45.27	-	-	-	45.27
Mat Credit Entitlement	-	142.60	-	-	142.60
Others	-	-	(8.67)	8.67	-
Total deferred tax asset	953.07	(103.86)	(8.67)	8.67	849.21
Net deferred tax liability	4,438.04	80.66	284.94	(10.43)	4,793.21

	Balance as at 1 April 2016	Recognised to profit or loss during the year	Recognised to/ reclassified from OCI	Recognised directly to other equity	Balance as at 31 March 2017
Deferred tax liability					
Investment in equity shares	422.20	-	656.81	-	1,079.01
Property, plant & equipment, intangible assets and investment property	1,619.06	(16.90)	2,685.65	(4.96)	4,282.85
Provision for Royalty on Licence Fees	156.14	(126.89)	-	-	29.25
Total deferred tax liability	2,197.40	(143.79)	3,342.46	(4.96)	5,391.11
Deferred tax asset					
Provisions for doubtful debts and advances	625.71	49.03	-	-	674.74
Unamortised expenditure allowable for tax purpose in subsequent years	321.85	(88.79)	-	-	233.06
Stock appreciation rights	42.92	2.35	-	-	45.27
Others	-	-	27.00	(27.00)	-
Total deferred tax asset	990.48	(37.41)	27.00	(27.00)	953.07
Net deferred tax liability	1,206.92	(106.38)	3,315.46	22.04	4,438.04

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

15 FINANCIAL LIABILITIES (CURRENT)**15.1 BORROWINGS**

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Secured			
Loan repayable on demand from banks	1,291.74	-	-
Unsecured			
Inter corporate deposits, repayable on demand	295.55	295.55	295.55
Total borrowings	1,587.29	295.55	295.55

Cash Credit from Banks bearing interest rate between 9.25% to 10.70% per annum 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 stocks of finished goods, work in progress, bills receivable and book debts and all other moveables, 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), (8), (9.1), (9.2), (9.4) and (9.5) for details of carrying amount of assets pledged as security for secured borrowings and Note 33 for information about liquidity risk and market risk on borrowings.

15.2 TRADE PAYABLES

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Trade payables			
a) Total outstanding dues of micro enterprises and small enterprises	0.94	0.73	0.56
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	4,039.56	3,839.91	2,977.48
Total trade payables	4,040.50	3,840.64	2,978.04

15.3 OTHER FINANCIAL LIABILITIES

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Security deposits			
Security deposit from dealers and others	85.18	85.67	89.55
Security deposit from General Insurance Corporation of India on sub lease of property	18.01	18.01	18.01
Unpaid dividends*	9.21	7.27	5.40
Others			
Dealer's incentive	617.02	-	39.67
Liabilities for expenses	1,069.87	344.62	461.36
Employee benefits payable	1,598.39	726.41	1,229.31
Interest accrued and due on deposits from dealers	43.65	40.27	36.68
Advance against proposed sale of certain fixed assets	-	25.00	25.00
Liability towards deposits received under settlement	152.58	-	-
Total other financial liabilities	3,593.91	1,247.25	1,904.98

*There are no amount due and outstanding to be credited to Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at year end.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

16 OTHER CURRENT LIABILITIES

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Income received in advance	407.51	431.75	627.49
Advance from customers	728.46	178.03	169.12
Advance - subscription	-	18.70	21.33
Amount payable to Government authorities	355.51	277.02	190.57
Total other current liabilities	1,491.48	905.50	1,008.51

17 PROVISIONS

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Provision for returns of magazines	28.94	15.28	11.66
Provision for royalty on license fees (Refer Note 17.1)	3,584.62	2,616.81	1,870.91
Total provisions	3,613.56	2,632.09	1,882.57

17.1 Movement of provision for royalty on licence fees

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Carrying amount at the beginning of the year	2,616.81	1,870.91	1,686.87
Charged/(credited) to profit or loss			
created during the year	1,937.15	1,685.77	1,458.71
discounting on provision created	(253.44)	(289.38)	(451.18)
unwinding of discount on provision created	260.50	204.87	-
unused amounts reversed	(93.07)	-	(38.25)
Amounts utilised during the year	(883.33)	(855.36)	(785.24)
Carrying amount at the end of the year	3,584.62	2,616.81	1,870.91

18 EMPLOYEE BENEFIT OBLIGATIONS (CURRENT)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Leave encashment obligations	52.49	46.82	32.31
Gratuity (refer note 29)	26.84	115.68	65.43
Total employee benefit obligations (current)	79.33	162.50	97.74

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

19 REVENUE FROM OPERATIONS

	Year ended 31 March 2018		Year ended 31 March 2017	
Sale of products				
Audio compact discs	18.79		41.36	
Digital versatile discs	11.34		19.38	
Music card	460.87		536.14	
Carvaan	13,669.66		-	
Mini carvaan	743.94		-	
Others	-	14,904.60	16.55	613.43
Sale of services				
Advertising	511.15		623.60	
News-stand	60.89		44.88	
Income from marketing support services	-		-	
Income from television serials (including free commercial time)	4,935.04		6,692.49	
Income from distribution rights of digital films	358.06		-	
Licence fees	14,773.87		13,766.20	
Others	110.48	20,749.49	87.06	21,214.23
Other operating revenue		4.53		21.85
Total revenue from operations		35,658.62		21,849.51

20 OTHER INCOME

	Year ended 31 March 2018	Year ended 31 March 2017
Liabilities/Provisions no longer required written back	359.06	469.01
Recovery of excess remuneration (Refer Note 41.3)	-	258.08
Provision for doubtful debts/ advances no longer required written back	30.82	13.16
Interest income under the effective interest method on: (Gross)		
- on bank deposits	22.57	88.55
- on security deposits	2.59	2.49
- on income tax refund	29.31	-
- on unwinding of discount on financial assets	45.96	38.38
- on discounting of financial liabilities/provision	253.44	289.38
Dividend income from equity investments designated at fair value through Other Comprehensive Income*	185.40	154.51
Profit on sale of property, plant and equipment	0.24	0.68
Rent income	21.75	4.38
Net gain on foreign currency transactions/ translation	39.10	-
Other non-operating income	29.00	9.47
Total other income	1,019.24	1,328.09

* All dividends from equity investments designated at FVOCI relate to investments held at the end of the reporting year.

21 COST OF MATERIAL CONSUMED/ CONTRACT MANUFACTURING CHARGES

	Year ended 31 March 2018	Year ended 31 March 2017
Cost of materials consumed (Refer Note : 21.1)	92.90	104.55
Contract manufacturing charges (Refer Note:21.2)	10,742.76	544.70
Total Cost of material consumed/ Contract manufacturing charges	10,835.66	649.25

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

21.1 Cost of materials consumed

	Year ended 31 March 2018	Year ended 31 March 2017
Opening stock		
- Materials : Paper	44.09	30.73
Materials purchased		
- Materials : Paper	78.88	117.91
Less: Closing stock		
- Materials : Paper	30.07	44.09
Total cost of material consumed	92.90	104.55

21.2 Contract manufacturing charges

	Year ended 31 March 2018	Year ended 31 March 2017
- Audio compact discs	12.40	37.01
- Digital versatile discs	7.00	15.69
- Music Card	271.71	485.45
- Carvaan	9,892.71	-
- Mini carvaan	558.94	-
- Others	-	6.55
Total contract manufacturing charges	10,742.76	544.70

22 COST OF PRODUCTION OF FILMS, TELEVISION SERIALS AND PORTAL

	Year ended 31 March 2018	Year ended 31 March 2017
Cost of production of television serials/digital film (Refer Note:22.1)	5,218.29	6,126.26
Cost of portal development	4.23	198.61
Total cost of production of films, television serials and portal	5,222.52	6,324.87

22.1 Details of cost of production of films, television serials

	Year ended 31 March 2018	Year ended 31 March 2017
Telecast fees	1,062.75	1,190.40
Payment to artistes, directors, script-writers, etc.	1,065.10	1,408.38
Food, lodging and travel	259.60	285.68
Set, properties and equipment charges	262.73	483.59
Other production expenses	2,150.99	2,716.98
Increase in inventories of television serials	417.12	41.23
Total cost of production of films and television serials	5,218.29	6,126.26

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

23 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

	Year ended 31 March 2018		Year ended 31 March 2017	
Opening stock				
- Finished goods- Untelecasted television serials	124.84		83.60	
- Finished goods- Music card	146.74		13.06	
- Work in progress- Digital films under production	717.93	989.51	-	96.66
Less: Closing stock				
- Finished Goods- Untelecasted Television Serials/Films	110.47		124.84	
- Finished goods- Music card/Carvaan and others	3,641.24		146.74	
- Work in progress- Digital films under production	1,149.42	4,901.13	717.93	989.51
Net increase		(3,911.62)		(892.85)

24 EMPLOYEE BENEFITS EXPENSE

	Year ended 31 March 2018		Year ended 31 March 2017	
Salaries and wages		5,583.07		4,558.37
Share based payment expense		8.44		3.23
Contributions to:				
Provident fund	150.89		130.76	
Superannuation fund	12.03		10.96	
Gratuity fund	76.70		54.89	
Employee's State Insurance Scheme	9.32	248.94	10.35	206.96
Staff welfare expenses		166.40		173.97
Total employee benefits expense		6,006.85		4,942.54

25 FINANCE COST

	Year ended 31 March 2018	Year ended 31 March 2017
Interest expense on financial liabilities measured at amortised cost:		
- on loan and others	52.50	18.61
- unwinding of discount on financial liabilities/provision	260.50	204.87
Other borrowing costs	23.69	11.75
Total finance costs	336.69	235.23

26 DEPRECIATION AND AMORTISATION EXPENSE

	Year ended 31 March 2018	Year ended 31 March 2017
Depreciation on PPE	239.09	252.84
Amortisation on intangible asset	176.12	190.02
Total depreciation and amortisation expense	415.21	442.86

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

27 OTHER EXPENSES

	Year ended 31 March 2018	Year ended 31 March 2017
Power and fuel	142.05	171.94
Rent	410.32	409.72
Repairs - buildings	16.19	21.58
- machinery	1.35	3.60
- others	54.68	79.33
Royalties	3,367.59	2,035.90
Recording expenses	126.20	685.58
Carriage, freight and forwarding charges	1,047.56	124.64
Rates and taxes	116.87	54.56
Insurance	37.47	20.32
Travel and conveyance	518.62	542.02
Advertisement and sales promotion	4,285.37	2,590.60
Editorial expenses	118.14	121.96
Printing and publishing expenses	66.80	71.54
Printing and communication expenses	343.48	438.86
Bad debts/advances written off (refer note 27.2)	54.30	23.20
Provision for doubtful debts and advances	610.61	207.94
Provision for impairment of copyright - Music	-	45.83
Provision for magazine returns	26.18	11.87
Loss on disposal of PPE	-	1.01
Legal/consultancy expenses	1,506.01	987.33
Net loss on foreign currency transactions and translation	-	100.15
Corporate social responsibility expenses (Refer Note 27.1)	57.00	57.21
Payment to auditors	67.62	71.76
Miscellaneous expense	905.75	1,003.80
Total other expense	13,880.16	9,882.25
27.1 Corporate social responsibility expenditure		
(a) Gross Amount required to be spent by the Group during the year	56.96	57.21
(b) Amount paid to RP-Sanjiv Goenka Group CSR Trust towards purposes other than construction/acquisition of assets	57.00	57.21
27.2 Include bad debts / advances written off by the Parent Company of ₹ 1,473.65 Lakhs offset with provision for doubtful debts / advances no longer required written back of the equivalent amount.		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

28 TAX EXPENSES (Refer Note 43)

	Year ended 31 March 2018	Year ended 31 March 2017
A. Tax expense recognised in the Statement of Profit and Loss		
Current tax		
Current tax on profits for the year	981.56	1,022.56
Excess provision for earlier years written back	-	(187.60)
Total current tax	981.56	834.96
Deferred tax		
Decrease/ (Increase) in deferred tax assets	103.86	37.41
(Decrease)/ Increase in deferred tax liabilities	(23.20)	(143.79)
Total deferred tax expense charge/(credit)	80.66	(106.38)
Total tax expense	1,062.22	728.58
B. Amount recognised in other comprehensive income		
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	(8.67)	27.00
Changes in fair value of equity instruments designated at FVOCI	(235.52)	(656.81)
Revaluation gains relating to property, plant and equipment	(40.75)	(2,685.65)
Total	(284.94)	(3,315.46)
C. Reconciliation of tax expense		
Profit before tax	3,892.39	1,593.45
Income tax expense calculated @ 34.608% (31 March 2017- 34.608%)	1,347.08	551.46
Adjustments:		
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Items not deductible for tax purposes	556.34	510.35
Effect of income not taxable	(188.11)	(199.43)
Other items	81.74	53.79
Impact of change in statutory tax rate	(6.63)	-
Income tax written back pertaining to earlier years	-	(187.60)
Adjustment in respect of Minimum Alternate Tax (MAT) credit utilised	(728.20)	-
Income tax expense	1,062.22	728.58

The statutory tax rate used for the year 2017-18 and 2016-17 reconciliations above is the corporate tax rate of 34.608% (30% + surcharge @ 12% and education cess @ 3%) payable on taxable profits under the Income Tax Act, 1961.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

29 ASSETS AND LIABILITIES RELATING TO EMPLOYEE BENEFITS**(I) Post-employment Defined Benefit Plans:****(A) Gratuity (Funded)**

The Group provides for gratuity, a defined benefit retirement plan covering eligible employees. As per the plan, the Gratuity Fund Trusts, administered and managed by the Trustees and funded primarily with Life Insurance Corporation of India (LICI), ICICI Prudential Life Insurance Company Limited and Aviva Life Insurance Company Limited, make payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Trustees are responsible for the overall governance of the plan and to act in accordance with the provisions of the trust deed and rules in the best interests of the plan participants. Each year an Asset-Liability matching study is performed in which the consequences of the strategic investment policies are analysed in terms of risk and return profiles. Investment and contribution policies are integrated within this study. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation as set out in Note 1(q)(iii) above, 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 2018		31 March 2017	
	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	474.78	32.87	688.27	25.51
Current service cost	64.56	9.28	45.11	8.55
Interest cost	31.95	2.40	38.64	1.96
<u>Remeasurements (gains) / losses</u>				
Actuarial (gain)/ loss arising from changes in financial assumptions	(15.76)	(1.56)	20.44	2.31
Actuarial (gain)/ loss arising from changes in experience adjustments	5.92	(1.44)	55.17	(4.11)
Benefits Paid	(49.54)	-	(372.85)	(1.35)
Present value of obligation at the end of the year	511.91	41.55	474.78	32.87
(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	359.10	41.06	622.84	33.05
Interest Income	28.50	3.00	36.62	2.76
<u>Remeasurements gains / (losses)</u>				
Return on plan assets (excluding amount included in net interest cost)	12.86	(0.66)	(5.79)	1.60
Contributions by employer	118.00	-	78.29	5.00
Benefits paid	(33.39)	-	(372.86)	(1.35)
Fair value of plan assets at the end of the year	485.07	43.40	359.10	41.06
(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	511.91	41.55	474.78	32.87
Fair value of plan assets at the end of the year	485.07	43.40	359.10	41.06
Liabilities recognised in the balance sheet	26.84	(1.84)	115.68	(8.19)



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

	31 March 2018		31 March 2017	
	Parent	Subsidiary	Parent	Subsidiary
(d) Actual return on plan assets	41.36	2.34	30.83	4.36
(e) Re-measurements losses/(gains) recognised in the Other Comprehensive Income				
Return on plan assets (excluding amount included in net interest cost)	(12.86)	0.66	5.79	(1.60)
Effect of changes in financial assumptions	(15.76)	(1.44)	20.44	2.31
Effect of changes in experience adjustments	5.92	(1.56)	55.17	(4.11)
Total re-measurement included in Other Comprehensive Income	(22.70)	(2.34)	81.40	(3.40)
(f) Expense recognised in Statement of Profit or Loss:				
Current service cost	64.56	9.28	45.11	8.55
Net interest cost	3.45	(0.60)	2.02	(0.79)
Total expense recognised in Statement of Profit and Loss (refer note 24)	68.01	8.68	47.13	7.76
(g) Category of plan assets:	In %	In %	In %	In %
(a) Fund with Life Insurance Corporation of India	66%	-	58%	-
(b) NAV based Group Balanced Fund with ICICI Prudential Life Insurance Company Limited	17%	-	21%	-
(c) NAV based Group Short Term Debt Fund with ICICI Prudential Life Insurance Company Limited	8%	-	10%	-
(d) NAV based Group Debt Fund with ICICI Prudential Life Insurance Company Limited	9%	-	11%	-
(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	246.07	0.24	237.38	0.20
1-2 year	1.28	0.34	1.03	0.24
2-5 years	29.90	63.83	22.24	2.33
Over 5 years	126.33	466.39	106.50	26.55
(i) Principal actuarial assumptions:				
	31 March 2018		31 March 2017	
	Parent	Subsidiary	Parent	Subsidiary
Discount rate	7.50%	7.60%	7.10%	7.30%
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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

The estimate of future salary increases takes into account inflation, seniority, promotion and other relevant factors, such as demand and supply in the employment market.

(j) Sensitivity analysis	Change in Assumption	Impact on defined benefit obligation (2017-18)	Impact on defined benefit obligation (2016-17)
Discount Rate	Increase by 1%	Decrease by ₹ 39.06 Lakhs	Decrease by ₹ 35.22 Lakhs
	Decrease by 1%	Increase by ₹ 46.82 Lakhs	Increase by ₹ 45.45 Lakhs
Salary Growth Rate	Increase by 1%	Increase by ₹ 45.37 Lakhs	Increase by ₹ 43.90 Lakhs
	Decrease by 1%	Decrease by ₹ 38.69 Lakhs	Decrease by ₹ 34.76 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 ₹ 30 Lakhs (previous year - ₹ 127.28 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 2018 for Parent Company is **11 years** (31 March 2017 – 8 years) and for subsidiary is **12 Years** (31 March 2017 - 12 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 Trustees. The Parent Company makes quarterly 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.

(B) Provident fund

Certain 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 ₹ 162.92 Lakhs (previous year- ₹ 141.72 Lakhs) has been recognised as expenditure towards above defined contribution plans of the Group.

(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 provision recorded by the Group towards this obligation was ₹ 294.49 Lakhs, ₹ 267.38 Lakhs and ₹195.23 Lakhs as at 31 March 2018, 31 March 2017 and 1 April 2016 respectively. The amount of the provision is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

	31 March 2018	31 March 2017	1 April 2016
Leave provision not expected to be settled within the next 12 months	242.00	220.56	162.92

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

(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.

30 SHARE BASED PAYMENTS**(a) Employee stock option scheme**

The establishment of the Employee Stock Option Scheme 2013 (Scheme) was approved by the shareholders of the parent company at the Annual General Meeting held on 26 July 2013. The Scheme is designed to provide incentives to eligible employees to deliver long term returns. Under the Scheme each Option entitles the holder thereof to apply for and be allotted one equity shares of the Parent Company of ₹10 each upon payment of the exercise price during the exercise period.

The exercise period commences from the date of vesting of the Options and expires at the end of 10 years from the date of vesting. The Options have been granted at the 'market price' as defined under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

Performance linked vesting schedule of the said options is as follows :-

- After 1 year from the date of grant : 20 % of the options granted
- After 2 years from the date of grant : 20 % of the options granted
- After 3 years from the date of grant : 20 % of the options granted
- After 4 years from the date of grant : 20 % of the options granted
- After 5 years from the date of grant : 20 % of the options granted

Information in respect of Options granted under the Scheme :

Pursuant to approved Scheme, the Compensation Committee / Nomination and Remuneration Committee of the Board of Directors of the Parent Company has granted shares / options during 2013-14, 2016-17 and 2017-18 to certain eligible employees and outstanding as on 31 March 2018 at the following exercise price, being prevailing market price as on date of joining / revision of salary of respective employee:

Name of eligible employees	As at 31 March 2018		As at 31 March 2017	
	No. of options/ shares	Exercise price per share (₹)	No. of options/ shares	Exercise price per share (₹)
Mr. G. B. Aayeer, Chief Financial Officer and Director	10000	69.85	10000	69.85
Mr. Kumar Ajit, Vice President - Sales & Marketing	10000	243.70	10000	243.70
Mr. Rohit Chopra, Senior Vice President - Legal	10000	717.00	-	-
Mr. Avinash Mudaliar, Head - Internet products and services	-	-	10000	53.95

Exercise of options by the option holders shall entail issuance of equity shares by the Parent Company on compliance / completion of related formalities on the basis of 1:1.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

During the year 2015-16, the Nomination and Remuneration Committee of the Board of Directors has approved vesting of 4000 options each to Mr.G.B.Aayeer and Mr. Avinash Mudaliar respectively.

2446 Options out of 10000 Options granted in 2013-14 to Mr.Avinash Muadaliar with exercise price of ₹ 53.95 per share was lapsed in 2017-18.

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:

	G.B.Aayeer	Kumar Ajit	Rohit Chopra
Fair Value at Grant Date (₹)	49.48	141.90	684.80
Share Price at Grant Date (₹)	69.85	243.70	717.00
Exercise Price(₹)	69.85	243.70	717.00
Expected Volatility	57.30%	55.96%	56.96%
Expected Life (Expected weighted average life)	13 Years	8 Years	8 Years
Expected Dividend	0.50%	1.34%	0.81%
Risk Free Interest Rate (Basaed on Government Bonds)	9%	7%	7%

Expected volatility has been based on the evaluation of the historical volatility of the Parent Company's share price, particularly over the historical period commensurate with the expected term. The Expected term of the instruments has been based on the historical experience and general option holder behaviour.

Reconciliation of outstanding share options

Number of Options Outstanding at the beginning of the year	
Number of Options granted during the year	
Number of Options forfeited/lapsed during the year	
Number of Options Vested during the Year	
Number of Options Exercised during the year	
Number of Shares Arising as a result of exercise of Options	
Number of Options Outstanding at the end of the year	
Number of Options Excercisable at the end of the year	

	31 March 2018	31 March 2017
	30000	30000
	10000	10000
	2446	10000
	7143	-
	7554	-
	7554	-
	30000	30000
	7589	8000

The Options were exercised during the period permitted under the Scheme, and weighted average share price of shares arising upon exercise of Options, based on the closing market price on NSE on the date of exercise of Options for the year ended 31 March 2018 was ₹ **498.80**.

(b) Stock Appreciation Rights

On 27 October 2014 (being the grant date), the Nomination and Remuneration Committee of the Board of Directors of the Parent Company has granted 2,00,000 Stock Appreciation Rights (SAR) to its Managing Director, pursuant to Stock Appreciation Rights Scheme 2014. The rights entitle the managing director to a cash payment, being the difference in the share price between the date of grant and the date of exercise as per the following performance linked vesting schedule :-

- After one year from the date of grant:- 66%
- After two years from the date of grant:- 34%

The exercise period shall commence from the date of vesting and expire at the end of ten years from the relevant vesting date.

During the year 2016-17, the Nomination and Remuneration Committee of the Board of Directors has approved vesting of 2,00,000 SARs to its Managing Director.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (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:

	31 March 2018	31 March 2017
Share Price at measurement date (₹ per share)	655.7	233.7
Exercise Price (₹ per share)	170.7	170.7
Expected Time (in years)	4.29	4.79
Expected Volatility (%)	56.80%	52.50%
Dividend Yield (%)	0.81%	1.40%
Risk-free Interest Rate (%)	7.00%	6.25%
Carrying amount of Liability - included in employee benefits payable (₹ in Lakhs) (Refer Note 15.3)	1037	256.8
Value per SAR (₹)	518.5	128.4

(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 2018	Year ended 31 March 2017
Employee stock option scheme	8.44	3.23
Share appreciation rights	780.20	256.80

31 FAIR VALUE MEASUREMENTS
(i) Financial instruments by category

Notes	As at 31 March 2018 Carrying Amount / Fair Value	As at 31 March 2017 Carrying Amount / Fair Value	As at 1 April 2016 Carrying Amount / Fair Value
A. Financial assets			
(a) Measured at fair value through OCI			
Investments			
Equity instruments	6.1 15,093.50	13,161.49	7,467.91
Sub total	15,093.50	13,161.49	7,467.91
(b) Measured at amortised cost			
Trade receivables	9.1 7,303.02	5,227.05	4,605.26
Cash and cash equivalents	9.2 921.71	1,895.14	2,549.27
Other bank balances	9.3 161.79	7.27	45.55
Loans	6.2,9.4 414.53	741.00	582.16
Other financial assets	6.3,9.5 5.16	8.80	19.25
Sub total	8,806.21	7,879.26	7,801.49
Total financial assets	23,899.71	21,040.75	15,269.40
B. Financial Liabilities			
Measured at amortised cost			
Borrowings	15.1 1,587.29	295.55	295.55
Trade payables	15.2 4,040.50	3,840.64	2,978.04
Other financial liabilities	15.3 3,593.91	1,247.25	1,904.98
Total financial liabilities	9,221.70	5,383.44	5,178.57

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

(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, trade payables and other current financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short-term nature. Where such items are Non-current in nature, the same has been classified as Level 3 and fair value determined using discounted cash flow basis. Similarly, unquoted equity instruments where most recent information to measure fair value is insufficient, or if there is a wide range of possible fair value measurements, cost has been considered as the best estimate of fair value.

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.

Particulars	Fair Value Hierarchy Level	As at	As at	As at
		31 March 2018	31 March 2017	1 April 2016
Financial assets				
Measured at fair value through OCI				
Investments				
Equity instruments (quoted)	1	14,928.95	12,996.94	7,303.36
Equity instruments (un-quoted)	3	164.55	164.55	164.55
		15,093.50	13,161.49	7,467.91

32 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).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

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 ₹ 7,303.02 Lakhs as on 31 March 2018 (31 March 2017 - ₹ 5,227.05 Lakhs ; 1 April 2016 - ₹ 4,605.26 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 Group uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors and the Group's historical experience with customers.

The movement of the expected loss provision (allowance for bad and doubtful loans and receivables etc.) made by the Group are as under:

Particulars

Opening balance
Add: Provision made (net)
Less: Utilisation for impairment/de-recognition
Closing balance

Expected Loss Provision	
As at 31 March 2018	As at 31 March 2017
1,986.63	1,827.12
610.61	159.51
(1,133.03)	-
1,464.21	1,986.63

Other financial assets

Credit risk from balances with banks, term deposits and investments is managed by Group's finance department. 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 2018, 31 March 2017, and 1 April 2016 is the carrying amounts as disclosed in Note 6.3 and 9.5.

(B) Liquidity risk

Liquidity risk refers to the risk that the Group fails to honour its financial obligations in accordance with terms of contract. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions.

Management monitors rolling forecasts of the Group's liquidity position (including the undrawn credit facilities extended by banks and financial institutions) and cash and cash equivalents on the basis of expected cash flows. In addition, the Group's 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 from their carrying value as the impact of discounting is not significant.

Non-derivative financial liabilities

(i) Borrowings including interest obligation
(ii) Trade payables
(iii) Other financial liabilities

As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
1,587.29	295.55	295.55
4,040.50	3,840.64	2,978.04
3,593.91	1,247.25	1,904.98
9,221.70	5,383.44	5,178.57

The Group does not have Derivative Financial Liabilities as at the end of above mentioned reporting periods.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

(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 Group strives to achieve asset-liability offset of foreign currency exposures and only the net position is hedged where considered necessary. The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the INR cash flows of highly probable forecast transactions.

The Group, as risk management policy, hedges foreign currency transactions to mitigate the risk exposure and reviews periodically to ensure that the results from fluctuating currency exchange rates are appropriately managed.

(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 2018		As at 31 March 2017		As at 1 April 2016	
	Financial Assets	Financial Liabilities	Financial Assets	Financial Liabilities	Financial Assets	Financial Liabilities
USD	1,399.53	0.36	1,223.06	3.04	415.96	31.72
Others	43.79	-	78.64	-	24.90	-
Total	1,443.32	0.36	1,301.70	3.04	440.86	31.72

Net Exposure to Foreign Currency Risk (Assets - Liabilities)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
USD	1,399.17	1,220.02	384.24
Others	43.79	78.64	24.90
Total	1,442.96	1,298.66	409.14

(b) Sensitivity

The sensitivity of profit or loss 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 2018	Year ended 31 March 2017
USD sensitivity		
INR/USD -Increase by 10%	139.92	122.00
INR/USD -Decrease by 10%	(139.92)	(122.00)
Other currencies sensitivity		
INR/Others-Increase by 10%	4.38	7.86
INR/Others-Decrease by 10%	(4.38)	(7.86)

(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 Group's investments in term deposits with bank are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of changes in market interest rates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

The exposure of the Group's financial assets and financial liabilities to interest rate risk is as follows:

	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Floating Rate	Fixed Rate	Floating Rate	Fixed Rate	Floating Rate	Fixed Rate
Financial assets	-	152.83	-	1,000.00	-	1,740.15
Financial liabilities	1,587.29	-	295.55	-	295.55	-
	1,587.29	152.83	295.55	1,000.00	295.55	1,740.15

Increase/ decrease of 50 basis points (holding all other variables constant) in interest rates at the balance sheet date would result in increase/decrease in interest expense on financial liabilities and corresponding impact on profit before tax as follows :

	Year ended 31 March 2018	Year ended 31 March 2017
Interest rate increase by 50 basis points		
Interest expense increase by	7.94	1.48
Interest rate decrease by 50 basis points		
Interest expense decrease by	(7.94)	(1.48)

(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 as at 31 March 2018 is ₹ 15,093.50 Lakhs (31 March 2017 - ₹13,161.49 Lakhs; 1 April 2016 - ₹ 7,467.91 Lakhs). Accordingly, fair value fluctuations arising from market volatility is recognised in Other Comprehensive Income.

The Group invests its surplus funds in fixed deposits. Fixed deposits are held with highly rated banks and companies and have a short tenure and are not subject to interest rate volatility.

33 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 2018	As at 31 March 2017	As at 1 April 2016
Total borrowings	1,587.29	295.55	295.55
Less: Cash and cash equivalents	(921.71)	(1,895.14)	(2,549.27)
Net Debt	665.58	(1,599.59)	(2,253.72)
Equity	38,171.40	33,975.18	19,518.67
Total Capital (Equity+ Net Debt)	38,836.98	32,375.59	17,264.95
Net Debt to Equity Ratio	0.02	(0.05)	(0.12)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

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 2018 and 31 March 2017.

(b) Dividend on equity shares
Dividend declared and paid during the year

Final dividend for the year ended 31 March 2017 of ₹ 1.50 (31 March 2016 – ₹ 1.50) per fully paid share

Dividend distribution tax on above

Proposed dividend not recognised at the end of the reporting period

In addition to the above dividend, since year end the directors of the Parent Company have recommended the payment of a final dividend of ₹ 3/- per fully paid share (31 March 2017 – ₹ 1.50). This proposed dividend is subject to the approval of shareholders of the Parent Company in the ensuing annual general meeting.

Dividend distribution tax on above

	Year ended 31 March 2018	Year ended 31 March 2017
	261.04	261.04
	53.14	53.14
	314.18	314.18
	522.31	261.04
	107.36	53.14
	629.67	314.18

34 Related party disclosures
a) Where Control exists
Ultimate Holding Company

The Group is controlled by the following entity

Name
Type
Ownership Interest

Rainbow Investments Limited (RIL) *

Ultimate Holding
Company

Place of Incorporation	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
India	-	-	59.14%
	59.14%	59.14%	-

Composure Services Private Limited (CSPL) #

* up to 28 March 2017

with effect from 29 March 2017

b) Joint venture

Saregama Regency Optimedia Private Limited (SROPL) (under liquidation effective 19 September 2016)

c) Key management personnel of the Parent Company and its Ultimate Holding Company with whom transactions have taken place
Name
Relationship

Mr. Sanjiv Goenka

Chairman and Non-Executive Director of Parent Company

Mr. Vikram Mehra (Managing Director)

Managing Director of Parent Company

Mr. G.B.Aayeer (Executive Director)

Whole-time Director of Parent Company

Mrs. Preeti Goenka

Non-Executive Director of Parent Company

Mrs. Sushila Goenka

Non-Executive Director of Parent Company

Mr. Umang Kanoria

Non-Executive Independent Director of Parent Company

Mr. Bhaskar Raychaudhuri

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

Mr.P.K.Mohapatra #	Non-Executive Independent Director of Parent Company
Mr.Rajendra Dey	Director of Ultimate Holding Company
Mr.Akhilanand Joshi	Director of Ultimate Holding Company
# Expired on 13 March 2017	

d) Other Related Parties with whom the Company had transactions

Name	Relationship
CESEC Limited	Associate of Rainbow Investments Limited (upto 28 March 2017)
Spencer & Company Limited	Associate of Rainbow Investments Limited (upto 28 March 2017)
Harrisons Malayalam Limited	Associate of Rainbow Investments Limited (upto 28 March 2017)
Woodlands Multispeciality Hospital Limited	Associate of Rainbow Investments Limited (upto 28 March 2017)
Duncan Brothers & Co. Ltd	Associate of Rainbow Investments Limited (upto 28 March 2017)
Phillips Carbon Black Limited	Associate of Rainbow Investments Limited (upto 5 March 2017)
Phillips Carbon Black Limited	Fellow Subsidiary of Parent Company (with effect from 6 March 2017 upto 28 March 2017)
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

Transactions with related parties

	Year ended 31 March 2018	Year ended 31 March 2017
A Holding Company- (RIL) up to 28 March 2017		
Dividend Paid	-	154.37
Holding Company- (CSPL) w.e.f 29 March 2017		
Dividend Paid	154.37	-
B Key Management Personnel of the Parent Company		
Managerial remuneration paid/payable to Mr Vikram Mehra.	1,353.96	530.81
Managerial remuneration paid/payable to Mr G.B.Ayeeer.	199.26	177.79
Excess remuneration recoverable from Mr.Vikram Mehra	-	258.08
Excess remuneration to Mr.Vikram Mehra written back	-	130.88
C Sitting fees paid to Key Management Personnel of Parent Company		
Mr. Sanjiv Goenka	1.10	0.90
Mrs. Preeti Goenka	0.60	0.40
Mrs. Sushila Goenka	0.60	0.40
Mr. Umang Kanoria	1.30	1.30
Mr.Bhaskar Raychaudhuri	1.15	1.15
Mr.Santanu Bhattacharya	1.20	0.45
Mr.Arindam Sarkar	0.85	0.65
Mr.P.K.Mohapatra	-	1.15
Mr.Noshir Naval Framjee	0.25	-
D Payment to Director of the Parent Company		
Rent paid to Mrs. Preeti Goenka	5.40	5.40
E Associates of Rainbow Investments Limited, Ultimate Parent Company upto 28 March 2017		
CESEC LTD		
Power and Fuel Expense	-	53.77
Reimbursement of Expense Paid/Payable	-	16.68

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

	Year ended 31 March 2018	Year ended 31 March 2017
Dividend Received	-	126.00
Advertisement and Sales Promotion	-	2.96
Interest on Security Deposit	-	2.52
Sale of Goods	-	34.69
Spencer & Company Limited		
Rent paid	-	183.60
Reimbursement of Expense Received/Receivable	-	1.90
Harrisons Malayalam Ltd		
Reimbursement of expense paid/payable	-	0.25
Woodlands Multispeciality Hospital Ltd		
Reimbursement of expense paid/payable	-	3.58
Duncan Bros & Co Ltd		
Reimbursement of expense paid/payable	-	0.14
Philips Carbon Black Ltd		
Dividend Received	-	0.01
Reimbursement of expense paid/payable	-	0.81
F Post employment benefit plan of the Parent Company		
Contribution towards gratuity fund	118.00	78.29
Contribution towards superannuation fund	12.03	10.96

Key management personnel compensation

	Year ended 31 March 2018	Year ended 31 March 2017
Short-term Employee Benefits	728.43	532.53
Post Employment Benefits	34.77	40.46
Other Long- term Benefits	9.38	9.61
Share-based payment	780.64	126.00

Balances outstanding at the year end

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
A Joint venture company			
1) Non-current investments @			
SROPL	145.97	145.97	145.97
2) Provision for diminution in the value of investments			
SROPL	145.97	145.97	145.97
B Key management personnel of the Parent Company			
Remuneration payable			
- Mr. Vikram Mehra	1,124.41	205.47	184.88
- G.B.Aayeer	36.18	30.00	-
Excess remuneration recoverable			
- Mr. Vikram Mehra	-	258.08	-
@ Gross of Provision.			

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

35 INTEREST IN OTHER ENTITIES:
(a) Interests in subsidiaries

The Parent Company's subsidiaries at 31 March 2018 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 2017	1 April 2016
		31 March 2018		
Saregama Plc	United Kingdom	76.41%	76.41%	76.41%
RPG Global Music Limited	Mauritius	100%	100%	100%
Kolkata Metro Networks Limited	India	100%	100%	100%
Open Media Network Private Limited	India	100%	100%	100%
Saregama Inc.	USA	76.41%	-	-

(b) Interests in joint venture

Set out below is the joint venture of the Group as at 31 March 2018. 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 2017	1 April 2016
		31 March 2018		
Saregama Regency Optimedia Private Limited (SROPL)	India	26%	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. Since the parent company has ceased to have control over SROPL 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.

36 COMMITMENTS

Estimated amount of contract remaining to be executed on Capital account and not provided for (net of advances of ₹ 958.50 Lakhs; 31 March 2017 - ₹ 25.00 Lakhs; 1 April 2016 - ₹ 17.42 Lakhs) as at 31 March 2018 are estimated at ₹ 1,271.00 Lakhs (31 March 2017 - ₹ 75.00 Lakhs; 1 April 2016 - ₹ 26.92 Lakhs).

37 CONTINGENT LIABILITIES IN RESPECT OF -

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Claims against the Group not acknowledged as debts in respect of -			
- Copyright matters	138.78	120.00	20.00
- Income tax matters	1,461.19	1,593.47	1,934.68
- Sales tax /value added tax / entry tax matters	602.28	559.87	533.50
- Excise duty matters	112.16	112.16	112.16
- Custom duty matters	266.75	266.75	266.75
- Service tax matters	121.43	-	-
- Other matters	1,847.16	-	-

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

38 THE GROUP HAS FOLLOWING UN-HEDGED EXPOSURES IN FOREIGN CURRENCIES

	Year ended 31 March 2018		Year ended 31 March 2017	
	Foreign currency in Lakhs	Amount in ₹ Lakhs	Foreign currency in Lakhs	Amount in ₹ Lakhs
Trade Receivables	USD 21.52	1399.89	USD 18.86	1,223.06
Trade Receivables	SAR 0.06	0.69	SAR 0.06	1.02
Trade Receivables	LKR 58.93	25.09	LKR 55.69	23.45
Trade Receivables	-	-	NPR 0.05	0.03
Trade Receivables	MYR 0.09	1.52	-	-
Trade Receivables	QAR 0.05	0.87	QAR 0.46	8.25
Trade Receivables	AED 0.81	13.99	AED 2.60	45.89
Trade Receivables	SGD 0.01	0.45	-	-
Trade Receivables	OMR 0.01	1.18	-	-
Trade Payables	USD 0.01	0.36	USD 0.05	3.04

39 BASIC AND DILUTED EARNINGS PER SHARE:

	Year ended 31 March 2018	Year ended 31 March 2017
Number of equity shares at the beginning of the year	17,402,938	17,402,938
Number of equity shares at the end of the year	17,410,492	17,402,938
Weighted average number of equity shares outstanding during the year (A)	17,407,056	17,402,938
Weighted average number of potential equity shares on account of employee stock options (B)	15,808	14,471
Weighted average number of equity shares for computing diluted earnings per share [C=(A+B)]	17,422,864	17,417,409
Nominal value of each equity share (₹)	10	10
Profit after tax and minority interest available for equity shareholders (₹ in Lakhs) [D]	2,830.17	864.87
Basic earnings per share (₹) [D/A]	16.26	4.97
Diluted earnings per share (₹) [D/C]	16.24	4.96

40 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, Mini Carvaan, Music Card, Audio Compact Discs, Digital Versatile Discs and dealing with related music rights.

Film/TV Serials : The Group is also engaged in production and sale/telecast/broadcast of films/TV Serials, pre-recorded programmes and dealing in film rights.

Publication : Group also publishes weekly current affairs magazine 'OPEN' through its publication business.

The segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statement. Also the group's borrowings (including finance costs and interest income), income taxes and investments are managed at head office and are not allocated to operating segments.

Segment Revenue is measured in the same way as in the Statement of Profit and Loss.

Segment assets and liabilities are measured in the same way as in the consolidated financial statements. These assets are allocated based on the operations of the segment and the physical location of the assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

(b) Information about reportable segments

Particulars	Year ended 31 March 2018				Year ended 31 March 2017			
	Music	Films/TV Serials	Publication	Total	Music	Films/TV Serials	Publication	Total
Segment revenue								
- External sales and license fees	29,683.00	5,293.10	682.52	35,658.62	14,418.96	6,692.49	738.06	21,849.51
- Intersegment sales and licence fees	-	-	-	-	-	-	-	-
Total Segment revenue	29,683.00	5,293.10	682.52	35,658.62	14,418.96	6,692.49	738.06	21,849.51

Particulars	Year ended 31 March 2018				Year ended 31 March 2017			
	Music	Films/TV Serials	Publication	Total	Music	Films/TV Serials	Publication	Total
Segment result	8,869.01	(204.87)	(1,216.48)	7,447.66	4,246.96	787.20	(1,160.47)	3,873.68
Reconciliation to profit before tax								
Finance cost				(336.69)				(235.23)
Other unallocated expenditure (net)				(3,218.58)				(2,045.00)
Profit before tax				3,892.39				1,593.45

Particulars	Year ended 31 March 2018					Year ended 31 March 2017				
	Music	Films/TV Serials	Publica- tion	Unallo- cated	Total	Music	Films/ TV Serials	Publication	Unallo- cated	Total
Segment depreciation and am- ortisation	344.35	22.32	36.08	12.46	415.21	389.15	17.03	36.14	0.53	442.86
Segment non-cash expenditure other than depreciation and am- ortisation	645.09	12.49	33.85	25.84	717.27	180.84	45.16	6.14	-	232.14
Impairment loss on copyright music	-	-	-	-	-	45.83	-	-	-	45.83
Non cash expenses					1,132.48					720.83

Particulars	Year ended 31 March 2018				Year ended 31 March 2017			
	Music	Films/TV Serials	Publication	Total	Music	Films/TV Serials	Publication	Total
Segment assets	32,579.90	3,375.13	558.58	36,513.61	24,240.70	3,370.32	516.49	28,127.50
Reconciliation to total assets								
Investments				15,093.50				13,161.49
Current tax assets (net)				4,150.33				4,148.97
Other unallocated assets				2,081.79				2,535.68
Total assets as per the Balance Sheet				57,839.23				47,973.65

Particulars	Year ended 31 March 2018					Year ended 31 March 2017				
	Music	Films/TV Serials	Publica- tion	Unallo- cated	Total	Music	Films/TV Serials	Publication	Unallo- cated	Total
Addition to non current assets other than finan- cial assets	207.28	45.78	3.30	0.25	256.60	196.43	14.22	0.32	-	210.97

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

Particulars	Year ended 31 March 2018				Year ended 31 March 2017			
	Music	Films/TV Serials	Publica- tion	Total	Music	Films/TV Serials	Publication	Total
Segment liabilities	10,225.12	389.80	557.75	11,172.67	7,154.96	409.02	419.84	7,983.82
Reconciliation to total liabilities								
Borrowings				1,587.29				295.55
Deffered tax liabilities				4,793.22				4,438.04
Other unallocated liabilities				1,888.11				1,024.71
Total liabilities as per the Balance Sheet				19,441.29				13,742.12

(c) Additional information by geographies

The Company is domiciled in India. The amount of its revenue from external customers broken down by the location of the customers is shown below-

Revenue by geographical market	Year ended 31 March 2018	Year ended 31 March 2017
India	29,216.42	20,916.87
Outside India	6,442.20	932.64
Total	35,658.62	21,849.51

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

Carrying amount of segment assets	As at 31 March 2018	As at 31 March 2017
India	34,597.87	27,868.09
Outside India	1,915.74	259.41
Total	36,513.61	28,127.50

(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.

- 41.1** The Group has cancellable operating lease arrangements 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 ₹ **410.32 Lakhs** (previous year - ₹ 409.72 Lakhs).
- 41.2** Rent income includes sub-lease payments of ₹ **21.75 Lakhs** (previous year - ₹ 4.38 Lakhs) for the year relating to sub-lease 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.
- 41.3** During the year ended 31 March 2018, the Company has duly recovered / adjusted the total amount being held in trust as on 31 March 2017 on account of amount held in trust as excess managerial remuneration paid to the Managing Director.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

42. Additional information pursuant to paragraph 2 of Division II of schedule III to the Companies Act 2013

Name of the Entity	Net Assets, i.e. total assets minus total liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		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	95.91%	36,827.17	119.44%	3,380.10	82.92%	1,356.63	106.05%	4,736.73
Subsidiaries								
Indian								
Kolkata Metro Networks Limited	6.10%	2,341.67	(1.35%)	(38.08)	19.19%	313.95	6.18%	275.87
Open Media Network Private Limited	0.01%	4.36	(42.98%)	(1,216.31)	0.09%	1.53	(27.20%)	(1,214.78)
Foreign								
RPG Global Music Limited	(0.07%)	(27.28)	0.33%	9.39	-	-	0.21%	9.39
Saregama Plc	(2.54%)	(974.52)	25.31%	716.38	(1.68%)	(27.49)	15.91%	688.89
Non-Controlling Interest	0.59%	226.54	(0.75%)	(21.31)	(0.52%)	(8.49)	(1.15%)	(29.80)
Total								
31 March 2018	100%	38,397.94	100%	2,830.17	100%	1,636.13	100%	4,466.30

43. Tax Expenses is net of Minimum Alternate Tax (MAT) credit of ₹ 728.20 (2016-17 ₹ Nil) based on income tax computation set out in accounting policy [Note 1(s)] and Company's return of income.
44. On 2 April 2018 (around 12:00 AM.), there was a fire in the godown (of third party service provider) damaging stocks of the Parent Company aggregating to ₹ 3,758 Lakhs. In the opinion of the management, no material financial impact on account of the inventory loss is envisaged in view of the adequate insurance cover by the Parent Company and accordingly, no adjustments have been made in the financial statements as at 31 March 2018. The insurance claim is currently being processed by the insurance company.

45. FIRST-TIME ADOPTION OF IND AS

These are the Group's first consolidated financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 1 have been applied in preparing the consolidated financial statements for the year ended 31 March 2018, the comparative information presented in these consolidated financial statements for the year ended 31 March 2017 and in the preparation of an opening Ind AS consolidated balance sheet as at 1 April 2016 (the Group's date of transition). In preparing its opening Ind AS consolidated balance sheet, the Group has adjusted the amounts reported previously in the consolidated financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (Previous GAAP or Indian GAAP). An explanation of how the transition from Previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows is set out in the following tables and notes.

A Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from Previous GAAP to Ind AS.

A.1 Ind AS optional exemptions
A.1.1 Business combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.

The Group has elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

A.1.2 Prospective application of Ind AS 21 to Business Combinations

Ind AS 101 allows a first-time adopter not to apply Ind AS 21 The Effects of Changes in Foreign Exchange Rates retrospectively for business combinations that occurred before the date of transition to Ind AS.

The Group has elected to apply this exemption.

A.1.3 Deemed Cost for property, plant and equipment and intangible assets

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the consolidated financial statements as at the date of transition to Ind AS, measured as per the Previous GAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets and investment property covered by Ind AS 40 Investment Properties.

Accordingly, the Group has elected to measure all of its property, plant and equipment, intangible assets and investment properties at their previous GAAP carrying value. The Group does not have any de-commissioning liabilities as on the date of transition and accordingly no adjustment have been made for the same.

Further, the Parent Company had revalued certain freehold land and buildings based on professional valuation in previous years and had a balance of ₹ 50.87 Lakhs in revaluation reserve on the date of transition. On transition, such revaluation reserve has been adjusted in retained earnings.

A.1.4 Designation of previously recognised equity instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of the facts and circumstances at the date of transition to Ind AS.

The Group has elected to apply this exemption for its investment in certain equity instruments (other than its subsidiaries).

A.1.5 Cumulative translation differences

Ind AS 21 requires exchange differences arising on translation of foreign operations to be recognised in other comprehensive income and then recognised as income or expense on disposal of the foreign entity to which they relate. These are known as 'cumulative translation differences'. Ind AS 101 contains an exemption which relieves entities from retrospective application of Ind AS 21 to determine the cumulative translation difference. A first-time adopter may elect not to calculate the translation difference related to foreign operations retrospectively. Instead, an entity may reset translation differences at the date of transition, determined in accordance with previous GAAP, to zero. The requirements of Ind AS 21 are then applied prospectively from the date of transition. The gain or loss on subsequent disposal of a foreign operation will only include foreign exchange differences that arose after the date of transition.

The Group has availed aforementioned optional exemption and has made the cumulative translation differences NIL on the date of transition i.e., 1 April 2016.

A.2 Ind AS mandatory exceptions
A.2.1 Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

On assessment of estimates made under the Previous GAAP financial statements, the Group has concluded that there is no necessity to revise such estimates under Ind AS, as there is no objective evidence of an error in those estimates.

A.2.2 De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Group has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

A.2.3 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS. The Group has assessed the same accordingly.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

B.1 Reconciliation between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent reconciliation from previous GAAP to Ind AS.

Reconciliation of Equity

Particulars	Notes to First Time Adoption	As at the date of transition 1 April 2016			As at 31 March 2017		
		Previous GAAP*	Adjustment on Transition to Ind AS	Ind AS	Previous GAAP*	Adjustment on Transition to Ind AS	Ind AS
ASSETS							
(1) Non-current assets							
(a) Property, plant and equipment	h,i	7,751.40	(252.71)	7,498.69	19,182.21	(209.74)	18,972.47
(b) Investment properties	i	-	252.71	252.71	-	247.18	247.18
(c) Intangible assets		715.00	-	715.00	672.26	-	672.26
(d) Investment accounted for using Equity Method		-	-	-	-	-	-
(e) Financial assets							
(i) Investments	a	3,972.12	3,495.79	7,467.91	3,972.12	9,189.37	13,161.49
(ii) Loans	f,l	556.63	7.82	564.45	595.88	(126.13)	469.75
(iii) Other financial assets		2.00	-	2.00	2.50	-	2.50
(f) Other non-current assets	f	96.45	96.97	193.42	126.10	71.56	197.66
Total non-current assets		13,093.60	3,600.58	16,694.18	24,551.07	9,172.24	33,723.31
(2) Current assets							
(a) Inventories		127.39	-	127.39	1,033.60	-	1,033.60
(b) Financial assets							
(i) Trade receivables		4,605.26	-	4,605.26	5,227.05	-	5,227.05
(ii) Cash and cash equivalents	l	2,550.40	(1.13)	2,549.27	1,895.14	-	1,895.14
(iii) Bank balances other than (ii) above		45.55	-	45.55	7.27	-	7.27
(iv) Loans		17.71	-	17.71	271.25	-	271.25
(v) Other financial assets		17.25	-	17.25	6.30	-	6.30
(c) Current tax assets (net)		3,851.14	-	3,851.14	4,191.36	-	4,191.36
(d) Other current assets	f,l	1,334.66	27.06	1,361.72	1,577.81	40.56	1,618.37
Total current assets		12,549.36	25.93	12,575.29	14,209.78	40.56	14,250.34
TOTAL ASSETS		25,642.96	3,626.51	29,269.47	38,760.85	9,212.80	47,973.65
EQUITY AND LIABILITIES							
Equity							
(a) Equity share capital		1,740.29	-	1,740.29	1,740.29	-	1,740.29
(b) Other equity	a,b,c,d,e,f,g,h,i,j,k,l	15,660.60	2,117.78	17,778.38	28,108.00	4,126.89	32,234.89
Equity Attributable to Owners of the Equity		17,400.89	2,117.78	19,518.67	29,848.29	4,126.89	33,975.18
Non-Controlling Interest	j	213.57	-	213.57	237.69	18.65	256.34
Total equity		17,614.46	2,117.78	19,732.24	30,085.98	4,145.54	34,231.52
Liabilities							
(1) Non-current liabilities							
(a) Employee benefit obligations		162.92	-	162.92	220.56	-	220.56
(b) Deferred tax liabilities (net)	d	(1,061.56)	2,268.48	1,206.92	(1,034.10)	5,472.14	4,438.04
Total non-current liabilities		(898.64)	2,268.48	1,369.84	(813.54)	5,472.14	4,658.60
(2) Current liabilities							
(a) Financial liabilities							
(i) Borrowings	l	361.58	(66.03)	295.55	295.55	-	295.55
(ii) Trade payables	l	3,019.45	(41.41)	2,978.04	3,840.64	-	3,840.64
(iii) Other financial liabilities	g,l	1,781.29	123.69	1,904.98	1,116.45	130.80	1,247.25
(b) Other current liabilities	l	1,019.15	(10.64)	1,008.51	905.50	-	905.50
(c) Provisions	b,e	2,647.93	(765.36)	1,882.57	3,167.77	(535.68)	2,632.09
(d) Employee benefit obligations		97.74	-	97.74	162.50	-	162.50
Total current liabilities		8,927.14	(759.75)	8,167.39	9,488.41	(404.88)	9,083.53
TOTAL EQUITY AND LIABILITIES		25,642.96	3,626.51	29,269.47	38,760.85	9,212.80	47,973.65

* The Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

First-time adoption of Ind AS (contd.)**B. 2 Reconciliation of Total Comprehensive Income for the year ended 31 March 2017**

Particulars	Notes to First Time Adoption	Previous GAAP*	Adjustment on Transition to Ind AS	Ind AS
Revenue from operations		21,849.51	-	21,849.51
Other income	e,f,g	876.30	451.79	1,328.09
Total income		22,725.81	451.79	23,177.60
Expenses				
Cost of material consumed/ Contract manufacturing charges		649.25	-	649.25
Cost of production of films, television serials and portal		6,324.87	-	6,324.87
Changes in Inventories of Finished Goods and Work-in-progress [(Increase)/Decrease]		(892.85)	-	(892.85)
Employee benefits expense	c,g	4,886.52	56.02	4,942.54
Finance costs	e	30.36	204.87	235.23
Depreciation and amortisation expense	h	429.43	13.43	442.86
Other expenses	f	9,842.92	39.33	9,882.25
Total expenses		21,270.50	313.65	21,584.15
Profit before tax		1,455.31	138.14	1,593.45
Income tax expense				
- Current tax		995.56	27.00	1,022.56
- Excess provision of earlier years written back		(187.60)	-	(187.60)
- Deferred tax [charge/(credit)]		27.46	(133.84)	(106.38)
Total tax expense		835.42	(106.84)	728.58
Profit for the year		619.89	244.98	864.87
Other comprehensive income				
Items that will be reclassified to profit or loss, net of taxes				
Exchange differences on translation of foreign operations	j	-	79.06	79.06
Items that will not be reclassified to profit or loss				
Remeasurements of post-employment benefit obligations	c	-	(78.01)	(78.01)
Changes in fair value of equity instruments designated at FVOCI	a	-	5,693.59	5,693.59
Revaluation gains relating to property, plant and equipment	h	-	11,640.29	11,640.29
Income tax relating to items that will not be reclassified subsequently to profit or loss		-	(3,315.46)	(3,315.46)
Other comprehensive income for the year, net of tax		-	14,019.47	14,019.47
Total comprehensive income for the period		619.89	14,264.45	14,884.34
Profit for the year attributable to :-				
Owners of the equity		595.77	244.98	840.75
Non-Controlling Interest		24.12	-	24.12
Other comprehensive income for the year attributable to :-				
Owners of the equity		-	14,000.82	14,000.82
Non-Controlling Interest		-	18.65	18.65
Total comprehensive income for the year attributable to :-				
Owners of the equity		595.77	14,245.80	14,841.57
Non-Controlling Interest		24.12	18.65	42.77
Earnings per equity share: [Nominal value per share ₹ 10 (previous year- ₹ 10)]				
Basic (₹)		3.42		4.97
Diluted (₹)		3.42		4.96

* The Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

First-time adoption of Ind AS (contd.)**B.3 Reconciliation of Total Equity as at 31 March 2017 and 1 April 2016**

	Notes to first-time adoption	31 March 2017	1 April 2016
Total Equity as per previous GAAP		30,085.98	17,614.46
Adjustments:			
Effect of fair valuation of investment in equity shares through OCI	a	9,189.36	3,495.77
Effect of adoption of cost model for certain items of PPE	h	37.44	-
Adjustments in retained earnings:			
Effect of unwinding of discount on financial assets	f	21.23	(13.06)
Effect of proposed dividend and tax thereon	b	-	314.18
Effect of discounting and unwinding of discount on financial liabilities and provisions	e	535.69	451.18
Effect of additional expenses on account of discounting of financial assets	f	(35.24)	-
Effect of fair valuation of Stock Appreciation Rights (SAR)	g	(130.80)	(124.03)
Effect of change in accounting for Joint Venture	l	-	262.22
Tax effects of adjustments		(1,181.20)	(2,268.48)
Tax effects on account of revaluation		(4,290.94)	-
Total adjustments		4,145.54	2,117.78
Total Equity as per Ind AS		34,231.52	19,732.24

Reconciliation of Total Comprehensive Income for the year ended 31 March 2017

	Notes to first-time adoption	Year Ended 31 March 2017
Net Profit as reported under previous GAAP		619.89
Adjustments:		
Effect of reclassification of remeasurement of employee benefit obligation to Other comprehensive income	c	78.00
Effect of unwinding of discount on financial assets	f	38.39
Effect of discounting of financial liabilities/provision	e	289.38
Effect of recognition of ESOP at fair value	g	(3.23)
Effect of unwinding of discount on financial liabilities/ provision	e	(204.87)
Effect of additional expense on discounting of financial assets	f	(39.32)
Effect of adoption of cost model for certain items of PPE	h	(13.43)
Effect of fair valuation of SAR	g	(6.76)
Tax effects of above adjustments		106.82
Total adjustments		244.98
Profit after tax as per Ind AS		864.87
Other comprehensive income, net of taxes		14,019.47
Total comprehensive Income as per Ind AS		14,884.34

Impact of Ind AS adoption on the statements of cash flows for the year ended 31 March 2017

There were no material differences between the Cash Flow statement presented under Ind AS and the previous GAAP.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

First-time adoption of Ind AS (contd.)
C Notes to First-time Adoption
a Fair valuation of investments (other than investments in subsidiaries and joint venture)

Under previous GAAP, non-current investments were stated at cost. Where applicable, provision was made to recognise a decline, other than temporary, in valuation of such investments. Under Ind AS, equity instruments [other than investment in subsidiaries and joint ventures] have been classified as Fair Value through Other Comprehensive Income (FVOCI) through an irrevocable election at the date of transition.

Fair value changes with respect to investments in equity instruments designated at FVOCI have been recognised in Equity Instrument through OCI reserve as at the date of transition and subsequently in the other comprehensive income for the year ended 31 March 2017.

Consequent to the above, the total equity as at 31 March 2017 increased by ₹ 9,189.36 Lakhs (1 April 2016 - ₹ 3,495.77 Lakhs) and other comprehensive income for the year ended 31 March 2017 increased by ₹ 5,693.59 Lakhs.

b Proposed dividend

Under the Previous GAAP, dividend proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend including dividend distribution tax thereon was recognised as a provision. Under Ind AS, such dividend is recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend of ₹ 314.18 Lakhs as at 1 April 2016 included under provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity increased by an equivalent amount.

c Remeasurements on post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on net defined benefit obligations are recognised in other comprehensive income instead of profit or loss. Under the Previous GAAP, these remeasurements were forming part of the profit or loss for the year. However, this has no impact on the total comprehensive income and total equity as on 1 April 2016 or as on 31 March 2017.

d Deferred tax

Under the Previous GAAP, deferred tax was accounted using the income statement approach, on timing differences between the taxable profit and accounting profit for the year. Under Ind AS, deferred tax is recognised following balance sheet approach on the temporary differences between the carrying amount of asset or liability in the balance sheet and its tax base. In addition, various transitional adjustments have also led to recognition of deferred taxes on new temporary differences.

Further, under previous GAAP, no deferred tax asset/liability was recognized on revalued amount of Property, Plant and Equipment since this was considered as permanent difference. Under Ind AS, deferred tax liability was recognised on such revalued amount.

e Provisions

Under Previous GAAP, discounting of provisions was not allowed. Under Ind AS, provisions are measured at discounted amounts, if the effect of time value is material. Accordingly, provision for royalty on licence fees have been discounted to their present values. This change reduced the provision for royalty on licence fees as at 31 March 2017 by ₹ 535.69 Lakhs (1 April 2016 - ₹ 451.18 Lakhs). Consequent to the same, the profit for the year and equity as at 31 March 2017 increased by an equivalent amount.

f Security deposits

Under the previous GAAP, interest free security deposits (that are refundable in cash on completion of the agreement term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, Company has fair valued lease security deposits and deposits with telecasting channel under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as prepaid expense. Consequent to this change, the amount of security deposit decreased by ₹ 126.13 Lakhs (1 April 2016 increase by ₹ 7.82 Lakhs). The prepaid expense increased by ₹ 112.12 Lakhs as at 31 March 2017 (1 April 2016 - ₹ 124.03 Lakhs). Total equity decreased by ₹ 13.06 Lakhs as on 1 April 2016. The profit for the year and total equity as at 31 March 2017 decreased by ₹ 0.93 Lakh due to amortisation of prepaid expense of ₹ 39.32 Lakhs which is partially off-set by the notional interest income of ₹ 38.39 Lakhs recognised on security deposit.

g Employee share based payment

(i) Under the previous GAAP, the cost of options granted under the Saregama Employee Stock Option Scheme 2013 (Scheme) [equity - settled] was recognised using the intrinsic value method. Under this method, no expenses were recognised in the Statement of Profit and Loss as the fair value of the shares on the date of grant equalled the exercise price. Under Ind AS, the cost of options granted under the Scheme is recognised based on the fair value of the options as on the grant date. In terms of the exemptions, the fair value of unvested options as at the date of transition have been accounted for as part of reserves. Accordingly, cost of share options totaling ₹ 7.83 lakhs which were granted before and still vesting at 1 April 2016, have been recognised as a separate

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

First-time adoption of Ind AS (contd.)

component of equity in share option outstanding account against retained earnings at 1 April 2016.

Further, the amount recognised in share option outstanding account increased to ₹ 8.34 Lakhs as at 31 March 2017 (1 April 2016 - ₹ 7.83 Lakhs). The profit for the year ended 31 March 2017 decreased by ₹ 3.23 Lakhs. There is no impact on total equity

- (ii) Under the previous GAAP, the cost of Stock Appreciation Rights (SAR) granted pursuant to Stock Appreciation Rights Scheme 2014 (Scheme) [cash - settled] was recognised based on difference in the share price between the date of grant and reporting date. Under Ind AS, cost of SAR granted is recognised based on fair value of SAR as on the reporting date. This change increased the employee benefits payable at 31 March 2017 by ₹ 130.80 Lakhs (1 April 2016 - ₹ 124.04 Lakhs) and consequently Equity as at 31 March 2017 and 1 April 2016 decreased by an equivalent amount and profit for the year ended 31 March 2017 was decreased by ₹ 6.76 Lakhs.

h Property, plant and equipment

Under the previous GAAP, Property, plant and equipment were stated at revalued amount (for items revalued)/cost of acquisition (for items not revalued) less accumulated depreciation/amortisation and impairment loss, if any.

Under Ind AS, the Group elected to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. Subsequently, as on 31 March 2017, the Group has chosen the revaluation model for land and cost model for other items of PPE as its accounting policy. Accordingly, Company's land was revalued on 31 March 2017 by registered valuer using market approach. Resultant incremental value amounting to ₹ 11,640.29 lakhs were added to the book value of related land with corresponding credit to Revaluation Surplus. Further, revaluation reserve aggregating ₹ 50.87 lakhs which has been adjusted with the carrying amount of related items of PPE under previous GAAP is reversed and added to the equity as on 31 March 2017 under Ind AS. Consequently, profit for the year ended 31 March 2017 decreased by ₹ 13.43 Lakhs on account of depreciation charge on the increased value of PPE.

i Investment property

Under the previous GAAP, Investment property were presented as part of property, plant and equipment. Under Ind AS, Investment properties are required to be separately presented on the face of the balance sheet. Accordingly, carrying amount PPE reduced by ₹ 247.18 Lakhs as at 31 March 2017 (1 April 2016 - ₹ 252.71 Lakhs) and same is disclosed as Investment property in the respective year. However, there is no impact on the total equity or profit as a result of this adjustment.

j Foreign currency translation reserve

Under Ind AS, exchange differences on translation of foreign operations are accounted through other comprehensive income (Refer Note 'k' below) which has resulted in increase in other comprehensive income for the year ended 31 March 2017 by ₹ 79.06 Lakhs and increase in other reserves and non-controlling interest by ₹ 60.41 Lakhs and ₹ 18.65 Lakhs respectively.

k Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the Statement of Profit and Loss as "Other Comprehensive Income" includes remeasurements of defined benefit plans, fair value gains or (losses) on FVOCI equity instruments and exchange differences on translation of foreign operations. The concept of other comprehensive income did not exist under previous GAAP.

- l** Under the erstwhile IGAAP the joint venture was accounted for under proportionate consolidation basis. Under Ind AS -28 the joint venture has been accounted as equity accounted investee. Accordingly the adjustment has been made in respective heads.

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm Registration Number: 101248W/W-100022

Jayanta Mukhopadhyay

Partner

Membership No.: 055757

For and on behalf of the Board of Directors

Saregama India Limited

CIN : L22213WB1946PLC014346

V. Mehra

Managing Director

DIN: 03556680

Kamana Khetan

Company Secretary

ACS: 35161

G. B. Aayeer

Director and Chief Financial Officer

DIN: 00087760

Place : Kolkata

Date : 11 May 2018

Place : Kolkata

Date : 11 May 2018

Place : Kolkata

Date : 11 May 2018



CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2018

(Amount in Rupees lakhs, except otherwise stated)

	Year ended 31 March 2018		Year ended 31 March 2017	
A. Cash flow from operating activities				
Profit before tax		3,892.39		1,593.45
Adjustments for:				
Depreciation and amortisation expenses	415.21		442.86	
Provision for impairment of copyright-music	-		45.83	
Provision for doubtful debts/advances	610.61		207.94	
Provision for diminution in carrying amount of investments	-		-	
Finance costs	336.69		235.23	
Liabilities no longer required written back	(359.06)		(469.01)	
Provision for doubtful debts/ advances no longer required written back	(30.82)		(13.16)	
Interest Income	(353.87)		(418.80)	
Employee share-based payment expense	8.44		3.23	
Bad debt/advance written off	54.30		23.20	
Loss on disposal of property , plant and equipment	-		1.01	
Profit on sale of property , plant and equipment	(0.24)		(0.68)	
Dividend income from equity investments designated at fair value through Other Comprehensive Income	(185.40)		(154.51)	
		495.86		(96.86)
Operating profit before working capital changes		4,388.25		1,496.59
Changes in working capital				
Increase in trade payables	453.04		939.48	
(Increase)/Decrease in Other financial assets	2.25		(0.38)	
(Decrease)/Increase in Other financial liabilities	2,447.22		(271.05)	
(Decrease)/Increase in Employee benefits obligation	(36.69)		44.37	
(Decrease)/Increase in Provisions	1,020.37		872.41	
Increase / (Decrease) in Other current liabilities	585.98		(103.01)	
(Increase)/Decrease in Other current assets	(2,314.19)		(291.91)	
(Increase)/Decrease in Trade receivables	(2,742.45)		(804.50)	
(Increase)/Decrease in Loans	326.47		(158.96)	
(Increase) / Decrease in Inventories	(3,897.60)		(906.21)	
(Increase)/Decrease in Other non-current assets	(914.69)		(68.19)	
(Increase)/Decrease in Other bank balances	(154.52)		38.28	
		(5,224.82)		(709.67)
Cash generated from/(used in) operations		(836.56)		786.92
Income taxes paid (net of refund)		(1,024.16)		(1,148.18)
Net cash used in operating activities		(1,860.72)		(361.26)
B. Cash flow from investing activities				
Purchase of property, plant and equipment	(264.98)		(210.97)	
Sale proceeds of property, plant and equipment	0.24		0.68	
Interest received	55.86		101.99	
Dividend received	185.40		154.51	
Net cash generated from /(used in) investing activities		(23.48)		46.21



CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2018 (contd.)

(Amount in Rupees lakhs, except otherwise stated)

	Year ended 31 March 2018		Year ended 31 March 2017	
C. Cash flow from financing activities				
Increase in borrowings	1,291.74		-	
Proceeds from issue of share capital	0.76		-	
Share premium received on issue of shares	3.32		-	
Dividend paid	(259.10)		(259.17)	
Dividend distribution tax paid	(53.14)		(53.14)	
Interest paid	(49.12)		(15.02)	
Other borrowing cost paid	(23.69)		(11.75)	
Net cash generated from / (used in) financing activities		910.77		(339.08)
Net Increase in cash and cash equivalents (A+B+C)		(973.43)		(654.13)
Cash and cash equivalents at the beginning of the year (refer note 9.2)		1,895.14		2,549.27
Cash and cash equivalents at the end of the year (refer note 9.2)		921.71		1,895.14

Notes:

- The above Cash Flow Statement has been prepared under the Indirect Method as set out in Ind AS -7 "Statement of Cash Flows".
- Previous years figures have been regrouped/reclassified to conform to current year's presentation.
- Reconciliation of liabilities from financing activities

	Balance as at 1 April 2017	Cash flows	Non-cash changes	Balance as at 31 March 2018
Borrowings	-	1,291.74	-	1,291.74
Total liabilities from financing activities	-	1,291.74	-	1,291.74

The accompanying notes 1 to 45 are an integral part of these Consolidated Statement of Cash Flows

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Jayanta Mukhopadhyay
Partner
Membership No.: 055757

Place : Kolkata
Date : 11 May 2018

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

V. Mehra
Managing Director
DIN: 03556680

Kamana Khetan
Company Secretary
ACS: 35161

Place : Kolkata
Date : 11 May 2018

G. B. Aayeer
Director and Chief Financial Officer
DIN: 00087760

Place : Kolkata
Date : 11 May 2018

Form 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 Plc, United Kingdom	Saregama Inc, United States of America ##	RPG Global Music Limited, Mauritius	Kolkata Metro Networks Ltd,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
2. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.*	GBP(Refer "#" below)	USD (Refer * below)	INR	INR	INR
3. Share capital	69.24	**	1,026.20	1,705.00	107.56
4. Other Equity / Reserves & surplus	(178.34)	(46.02)	(1,466.79)	841.71	(5,053.66)
5. Total assets	712.55	244.89	7.88	3,013.70	562.11
6. Total Liabilities (excluding Capital and Reserves)	821.65	290.91	448.47	466.99	5,508.21
7. Details of Investment (except in case of investment in the Subsidiaries)	-	-	-	2,753.67	-
8. Turnover	900.73	325.72	12.89	102.55	691.94
9. Profit /(Loss) before taxation	(123.78)	(46.02)	9.38	24.35	(1,634.50)
10. Provision for taxation	-	-	-	2.12	(0.81)
11. Profit after taxation	(123.78)	(46.02)	9.38	22.23	(1,633.69)
12. Proposed Dividend	-	-	-	-	-
13. % of shareholding	76.41%	76.41%	100%	100%	100.00%

- Exchange rates as at year end considered for conversion:

GBP 1 = ₹ 90.32 for Asset (Closing Buying Rate), Fixed Asset, Share Capital, Share Premium at historical cost

GBP 1 = ₹ 93.08 for Liabilities (Closing Selling Rate)

GBP 1 = ₹ 84.52 for Income (Average Buying Rate)

GBP 1 = ₹ 87.19 for Expense (Average Selling Rate)

* Rate Conversion from USD to GBP is 1.4037

** Amount is below the rounding off norm adopted by the Company

The Saregama Inc is a step down subsidiary of the Parent company through Saregama Plc.

Annexure 1

Part "B": Associates and Joint Ventures

(Amount in Rupees lakhs, except otherwise stated)

Name of Associates/Joint Ventures	Saregama Regency Optimedia Private Limited
1. Latest audited Balance Sheet Date	*
2. Shares of Associate/Joint Ventures held by the company on the year end	
No.	*
Amount of Investment in Associates/Joint Venture	*
Extend of Holding %	*
3. Description of how there is significant influence	*
4. Reason why the associate/joint venture is not consolidated	*
6. Networth attributable to Shareholding as per latest audited Balance Sheet	*
7. Profit / Loss for the year	*
i. Considered in Consolidation	*
ii. Not Considered in Consolidation	*

*Saregama Regency Optimedia Private Limited (SROPL), a joint venture of the Company had been directed to be wound up wide Order dated 19 September 2016 by the Hon'ble High Court at Calcutta and 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, preceeding 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.

Place: Kolkata,
Date: 11 May 2018

V. Mehra
Managing Director
DIN: 03556680

G. B. Aayeer
Director and Chief Financial Officer
DIN: 00087760

Kamana Khetan
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-First Annual General Meeting (“AGM”) of the Members of Saregama India Limited will be held on Friday, July 27, 2018 at 10.00 A.M. at Mohit Moitra Mancha, 34/1, Raja Manindra Road, Paikpara, Kolkata-700 037, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt:
 - (a) the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2018, together with the Reports of the Board of Directors and Auditors thereon.
 - (b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2018 and the Report of Auditors thereon.
2. To declare a final dividend of ₹ 3.00 per equity share for the year ended March 31, 2018.
3. To appoint Mr. Vikram Mehra (DIN: 03556680), who retires by rotation and being eligible, offers himself for re-appointment as a Director.

SPECIAL BUSINESS

4. To ratify the remuneration of Cost Auditor and in this regard, pass 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, 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, 2019, with a remuneration of ₹ 1,00,000/- (Rupees One Lakh only).

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. To fix minimum fee for serving various documents on Members of the Company and in this regard, pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to provisions of Section 20 of the Companies Act, 2013 and other applicable provisions, if any, of the said Act and relevant rules prescribed thereunder, whereby a document may be served on any Member by the Company by sending it to him by post or by registered post or by speed post or by courier or by delivery to his office address or by such electronic or other mode as may be prescribed, the consent of the Company be and is hereby accorded to charge from the Member in advance equivalent to the estimated actual expenses of delivery of the documents pursuant to any request made by the shareholder for delivery of such document to him through a particular mode of services mentioned above provided such request along with the requisite fee has been duly received by the Company at least one week advance of the despatch of the document by the Company to the shareholder.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors and Key Managerial Personnel of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the matter aforesaid and further to do all such acts, deeds and things as may be necessary, proper or desirable or expedient to give effect to the above resolution.”
6. To appoint Mrs. Avarna Jain (DIN: 02106305) as a Non-Executive Director and in this regard, pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 149, 152 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘LODR / Listing Regulations’) and based on the recommendation of Nomination and Remuneration Committee, Mrs. Avarna Jain (DIN: 02106305), who was appointed as an Additional Non-Executive Director by the Board of Directors on May 29, 2018 and who is eligible for appointment be and is hereby appointed as a Non-Executive Director of the Company liable to retire by rotation.



NOTICE (contd.)

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution."

7. To appoint Mr. Bhaskar Raychaudhuri (DIN: 00277913) as a Non-Executive Independent Director of the Company and in this regard, pass the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), consent of the Members be and is hereby accorded for continuing the Directorship of Mr. Bhaskar Raychaudhuri (DIN: 00277913) as a Non-Executive Independent Director who has attained the age of 75 years.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and based on the recommendation of Nomination and Remuneration Committee, Mr. Bhaskar Raychaudhuri (DIN: 00277913), who was appointed as an Independent Director and who holds office of Independent Director up to March 31, 2019 and being eligible for reappointment be and is hereby re-appointed as an Independent Director of the Company not liable to retire by rotation for a second term of 5 (five) consecutive years w.e.f. April 1, 2019 on the Board of the Company.”

8. To continue the Directorship of Mrs. Sushila Goenka (DIN: 00087692) as a Non-Executive Director of the Company who has attained the age of 82 years and in this regard, pass the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), consent of the Members be and is hereby accorded for continuing the Directorship of Mrs. Sushila Goenka (DIN: 00087692) as a Non-Executive Director who has attained the age of 82 years.

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 or expedient to give effect to this resolution.”

9. To continue the Directorship of Mr. Noshir Naval Framjee (DIN: 01646640) as a Non-Executive Independent Director of the Company who has attained the age of 77 years and in this regard, pass the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), consent of the Members be and is hereby accorded for continuing the Directorship of Mr. Noshir Naval Framjee (DIN: 01646640) as a Non-Executive Independent Director who has attained the age of 77 years.

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 or expedient to give effect to this resolution.”

10. To vary the remuneration paid / payable to Mr. Vikram Mehra (DIN: 03556680), Managing Director of the Company and in this regard, pass the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to recommendation of the Nomination and Remuneration Committee, and approval of the Board 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 31, 2015 for the appointment of Mr. Vikram Mehra (DIN: 03556680) as the Managing Director of the Company, consent of the Company be and is hereby accorded for revision in the salary payable to Mr. Vikram Mehra (DIN: 03556680) w.e.f. July 1, 2017, as detailed in the explanatory statement forming part of this notice.

RESOLVED FURTHER THAT pursuant to the provisions of Section 197 of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, if any, and also subject to such other consents and approvals as may be necessary read with the approval of shareholders at its meeting held on July 31, 2015 in relation to appointment and payment of remuneration to Mr. Vikram Mehra (DIN: 03556680), Managing Director of the Company, consent of the Members be and is hereby accorded to account it as managerial remuneration during the financial year 2017-18 a sum of Rs.117.38 lakhs held in trust in previous year’s accounts.



NOTICE (contd.)

RESOLVED FURTHER THAT the Board of Directors (including any Committee thereof) be and is hereby authorised to fix his salary within the salary scale approved, increasing thereby, proportionately, all benefits related to the quantum of salary.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution."

11. To vary the remuneration paid / payable to Mr. Ghanashyam Bhagwan Aayeer (DIN: 00087760), Whole-Time Director of the Company holding office as a Whole-Time Director upto May 28, 2018 and in this regard, pass the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to recommendation of the Nomination and Remuneration Committee, and approval of the Board 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), consent of the Company be and is hereby accorded for revision in the salary payable to Mr. Ghanashyam Bhagwan Aayeer (DIN: 00087760), Whole-Time Director of the Company w.e.f. July 1, 2017, as detailed in the explanatory statement forming part of this notice.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution."

12. To approve the maximum number of grant of options to be made under the Saregama Employees Stock Option Scheme 2013 and in this regard, pass the following resolution as a **Special Resolution**:

“RESOLVED THAT in addition to the resolution passed and approved by the shareholders in the Annual General Meeting held on July 31, 2015 and July 26, 2013, approval of the Members be and is hereby accorded to amend the resolution already passed as aforesaid in order to grant, create, offer, issue and allot in one or more tranches at any time such number of stock options convertible into equity shares not exceeding 5% of the issued, subscribed and paid-up equity shares of the Company as on March 31, 2013 i.e. upto 8,70,146 equity shares such that the maximum number of Options granted to any one Eligible Employee shall not exceed 30,000 (thirty thousand) in a financial year.

RESOLVED FURTHER THAT all other features, terms and conditions etc. of the Saregama Employees Stock Option Scheme 2013 ('ESOP 2013' or 'the Scheme') as approved by shareholders in the Annual General Meeting held on July 31, 2015 and July 26, 2013 shall remain unaltered."

13. To consider the amendment in Saregama Employees Stock Option Scheme 2013 and in this regard, pass the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and other applicable provisions of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 and in accordance with the enabling provisions of the Memorandum and Articles of Association of the Company, the Listing Agreements entered into by the Company with the Stock Exchanges, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and other prevailing statutory guidelines in that behalf and subject to such other approvals, consents, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be considered necessary by the Board or as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to or accepted by the Board in its sole discretion, consent of the Members be and is hereby accorded to the Board (which term shall include the Nomination and Remuneration Committee constituted or to be constituted by the Board to exercise its powers including powers conferred by this Resolution) to amend the Saregama India Limited - Employees Stock Option Scheme 2013 ("ESOS 2013") as detailed in the Explanatory Statement to item no.13 of this Notice.

RESOLVED FURTHER THAT the Board be and is hereby authorized to vary, amend, modify or alter the terms of the Scheme in accordance with and subject to the terms of the Companies Act, 2013 and the Guidelines, Rules or Regulations that may be issued by any regulatory/statutory authority, as applicable.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as the Board), be and are hereby authorized to settle all questions, difficulties or doubts that may arise in relation to the implementation and formulation of the Scheme to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this Resolution.

RESOLVED FURTHER THAT the Board, the Chief Financial Officer and the Company Secretary, be and are hereby severally authorized to do all such acts, deeds and things and execute all such deeds, documents and instruments and writings as may be necessary and incidental for giving effect to the above."


NOTICE (contd.)

14. To formulate Saregama Stock Appreciation Rights Scheme 2018 and issue of Stock Appreciation Rights to the eligible employees of the Company and in this regard, pass the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Companies Act, 2013 and Rules thereto, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (including any modification or re-enactment thereof for the time being in force), the Memorandum and Articles of Association of the Company, the Listing Agreements with the Stock Exchanges in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Foreign Exchange Management Act, 1999 (“FEMA”) and subject to any approvals, consents, permissions and sanctions of any authorities as may be required, and subject to any such conditions or modifications as may be prescribed or imposed by such authorities while granting such approvals, consents, permissions and sanctions, the consent of the Members be and is hereby accorded to the Board of Directors (“Board” which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee already constituted by the Board under Section 178 of the Companies Act, 2013) to grant and issue 1,00,000 cash based Stock Appreciation Rights (SARs) under a Scheme titled ‘**Saregama Stock Appreciation Rights Scheme – 2018**’, (hereinafter referred to as the ‘SAR 2018’), and to grant such benefits to such person or persons for the benefit of employees who are in permanent employment of the Company, whether working in India or out of India, including directors of the Company, as may be allowed to be eligible for the benefit under the provisions of applicable laws and regulations prevailing from time to time (all such persons are hereinafter collectively referred to as ‘Employees’) and to such other persons as may from time to time be eligible for the Share based benefits under applicable laws and Regulations, at such Price, in such manner, during such period, in one or more tranches and on such other terms and conditions, as may be decided by the Board/Committee, prior to the issue and offer thereof.

RESOLVED FURTHER THAT for the purpose of giving effect to the SAR 2018, the Board be and is hereby authorized on behalf of the Company to evolve, decide upon and bring in to effect SAR 2018 and make any modifications, changes, variations, alterations or revisions in SAR 2018 from time to time in its sole discretion in conformity with the provisions of the Act, the Memorandum and Articles of Association of the Company and any other applicable laws or to suspend, withdraw or revive SAR 2018 from time to time as may be specified by any statutory authority and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit or necessary or desirable for such purpose and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the Members of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any powers conferred herein to the Committee or such other Committee, with power to further delegate to any Executives / Officers of the Company to do all such acts, deeds, matters and things as also to execute such documents, writings etc., as may be necessary in this regard.”

15. To extend the benefits of Saregama Stock Appreciation Rights Scheme 2018 to employees of subsidiary or holding or associate company and in this regard, pass the following resolution as a **Special Resolution**:

“**RESOLVED THAT** the benefits of the Scheme titled ‘Saregama Stock Appreciation Rights Scheme – 2018’ contained in the Special Resolution set out in Item No. 14 of the Notice convening the 71st Annual General Meeting is hereby extended to the eligible employees (including directors whether whole time directors or not) of the subsidiary company(ies)/holding/associates (whether now or hereinafter existing) of the Company on such terms and conditions as may be decided by the Board (Board shall be deemed to include any committees thereof, including the Nomination and Remuneration Committee constituted by the Board).”

Registered Office:

33, Jessore Road, Dum Dum,
Kolkata-700 028

Dated: May 29, 2018
Place: Kolkata
CIN: L22213WB1946PLC014346

By Order of the Board

Kamana Khetan
Company Secretary

NOTES:

1. The relevant Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 (‘Act’), in respect of the Special Business under Item Nos. 4 to 15 set out above and details as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 (‘SEBI Listing 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.



NOTICE (contd.)

2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY. A person can act as Proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% (ten percent) of the total share capital of the Company. Members holding more than 10% (ten percent) of the total share capital of the Company may appoint a single person as Proxy, who shall not act as a Proxy for any other Member. If a proxy is appointed for more than 50 members, he shall choose any fifty members and confirm the same to the Company before the commencement of inspection period. In case if the proxy fails to do so the Company shall consider only the first fifty proxies received as valid.
The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the Meeting. A Proxy form is annexed with this Notice. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Meeting.
3. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, July 21, 2018 to Friday, July 27, 2018 (both days inclusive).
5. 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.
6. The Securities and Exchange Board of India (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.
7.
 - a. Pursuant to Section 101 and Section 136 of the Act read with Companies (Management and Administration) Rules, 2014, Regulation 36 of Listing Regulations and SS-2, companies can serve Annual Report and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository. Members holding shares in physical form, who have not registered their email address with the Company, are requested to submit their request with their valid email address to the Registrar and Share Transfer Agents of the Company. Members holding shares in demat form are requested to register/update their email address with their Depository Participant directly.
 - b. 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.
8. Members may also note that the Annual Report for the financial year 2017-18 and the Notice of the 71st Annual General Meeting will also be available on the website of the Company **www.saregama.com**. The Notice of AGM shall also be available on the website of NSDL viz. **https://evoting.nsdl.com**.
9. The Annual Report for the financial year 2017-18, the Notice of the 71st Annual General Meeting and all documents referred to in the Notice and the Explanatory Statement will be available for inspection by the Members at the Registered Office of the Company during normal business hours and on all working days except Saturday and National Holidays up to the date of the Annual General Meeting.
10. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of contracts or arrangements in which the Directors are interested will be available for inspection by the Members at the Registered Office of the Company during normal business hours on all working days, except Saturdays and National Holidays up to the date of the Annual General Meeting.
11. Members are requested to:
 - a. intimate any change in their addresses/mandates and address all their queries relating to shares of the Company to the Registrar and Share Transfer Agents i.e. MCS Share Transfer Agent Limited, for shares held in physical form.
 - b. quote Client ID and DP ID in respect of shares held in dematerialized form and ledger folio number in respect of shares held in physical form in all the correspondence.
 - c. make nomination in respect of the shares held in physical form in the Company. The Nomination Form as prescribed by the Ministry of Corporate Affairs can be obtained from the Registrar and Share Transfer Agents of the Company. Members holding shares in electronic form are requested to contact their Depository Participant directly for recording their nomination.
12. Non-Resident Indian Members are requested to inform the Registrar and Share Transfer Agents i.e. MCS Share Transfer Agent Limited immediately on:



NOTICE (contd.)

- a. the change in residential status on return to India for permanent settlement; and
 - b. the particulars of the bank account(s) maintained in India with complete name, branch, account type, account number and address of the bank, if not furnished earlier.
13. The Members/Proxies are requested to bring the attendance slip duly filled in for attending the Meeting.
 14. The facility for voting through ballot/polling papers shall also be made available at the Annual General Meeting. The Members attending the meeting who have not casted their vote by remote e-voting shall be able to exercise their right at the meeting.
 15. **DIVIDEND:** Dividend to be declared at this meeting, will, subject to the provisions of section 126 of the Companies Act, 2013, be deposited with the Bank and dividend will be paid not later than 30 days from the date of declaration of dividend to those Members who hold shares in physical form and whose names appear on the Register of Members on July 20, 2018 or to their mandates. In respect of shares held in electronic form as on the Record Date of July 20, 2018, dividend will be paid on the basis of beneficial ownership as per details furnished by the National Securities Depository Ltd. and Central Depository Services (India) Ltd., for this purpose. Dividend Tax will be paid by the Company pursuant to section 115-0 of the Income Tax Act, 1961.
 16. **BANK ACCOUNT DETAILS:** Regulation 12 and Schedule I of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 require all companies to use the facilities of electronic clearing services for payment of dividend. In compliance with these regulations, payment of dividend will be made only by electronic mode directly into the bank account of Members and no dividend warrants or demand drafts will be issued without bank particulars.
YOU ARE REQUESTED TO SUBMIT YOUR BANK DETAILS ALONG WITH AN ORIGINAL CANCELLED CHEQUE OR A XEROX COPY OF THE CHEQUE to our Registrars, M/s. MCS SHARE TRANSFER AGENT LIMITED to enable them to update our records, in case you hold shares in physical form and to your Depository Participants in respect of shares held by you in dematerialized form.
 17. **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.
 18. **TRANSFER TO IEPF:** Dividend not claimed within 7 years will be transferred to the Investor Education and Protection Fund (IEPF). All unpaid / unclaimed dividend for the Financial Year ended 31st March, 2013 is due to be transferred to the aforesaid account on or before 28th September, 2020. Claims for payment of such dividend should, therefore be lodged to the Company or to its Registrar and Share Transfer Agents, MCS Share Transfer Agent Limited, 12/1/5, Manoharpukur Road, Ground Floor, Kolkata – 700026 immediately.
 19. **ISIN No:** The shares of the Company are tradable compulsorily in electronic form. The ISIN number allotted is INE979A01017. In view of the numerous advantages offered by the depository system, Members are requested to avail of the facility of dematerialization of the Company's shares.
 20. **MEMBERS holding shares in physical form are requested to consider converting their holding to dematerialize 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.**
 21. Members having queries relating to Accounts may send their queries at least 7 days before the date of the Meeting, to the Company's Secretarial Department at 33, Jessore Road, Kolkata – 700028.
 22. Members may also note that the Annual Report including the notice of the 71st Annual General Meeting will also be available on the Company's website www.saregama.com.
 23. Route map and prominent landmark for easy location of venue of the AGM is provided in the Annual Report and the same shall also be available on the Company's website www.saregama.com.
 24. For persons who have acquired shares and become Members of the Company after the dispatch of Notice but before the cut-off date (as defined hereunder), the method for obtaining the login ID and password will be stated in the advertisement published pursuant to the Company (Management and Administration) Amendment Rules, 2015.
 25. Voting through Electronic means :
 1. (A) The Company will provide to its Members the facility to vote on the resolutions proposed to be considered at the 71st Annual General Meeting (AGM) by electronic means and the business may be transacted through such voting with services provided by National Securities Depository Limited (NSDL).
 - (B) The facility for voting, either through electronic voting system or ballot or polling paper shall also be made available at the AGM and the Members attending the Meeting who have not already cast their vote from a place other than the venue of the AGM by using the said electronic voting system (such voting hereinafter referred to as "e-voting") shall be able to exercise their voting right at the Meeting.



NOTICE (contd.)

- (C) The Members who have cast their vote by e-voting prior to the Meeting may also attend the Meeting but shall not be entitled to cast their vote again.
2. The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need enter the ‘initial password’ and the system will force you to change your password.
 - c) How to retrieve your ‘initial password’?
 - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
 - (ii) If your email ID is not registered, your ‘initial password’ is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:
 - a) 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.
 - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) 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.
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.



NOTICE (contd.)

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to goenkamohan@hotmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in
 - I. The Company Secretary shall address investors’ grievances relating to voting by electronic means and may be contacted at co.sec@saregama.com or at the Registered Office of the Company.
 - II. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending the future communication(s).
 - III. The e-voting period commences on July 24, 2018 (9.00 A.M.) and ends on July 26, 2018 (5.00 P.M.). During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of July 20, 2018, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently or cast his vote again.
 - IV. The voting rights of shareholders shall be in proportion to their shares on the paid up equity share capital of the Company as on the cut-off date of July 20, 2018.
 - V. Mr. Mohan Ram Goenka, Practicing Company Secretary (Membership No. F4515) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
 - VI. The Scrutinizer shall, immediately after conclusion of voting at the AGM, first count the votes cast at the Meeting, thereafter unblock the votes cast through e-voting in the presence of at least two witnesses not in employment of the Company and make, not later than three days of conclusion of the Meeting, a consolidated Scrutinizer’s Report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same.
 - VII. The Results shall be declared on forthwith upon receipt of the Scrutinizer’s Report. The Results declared along with the Scrutinizer’s Report shall be placed on the Company’s website www.saregama.com and on the website of NSDL immediately after their declaration by the Chairman and communicated to the Stock Exchanges where the shares of the Company are listed. The facility of voting through ballot paper or polling paper shall also be made available for the Members at the Annual General Meeting who have not been able to vote electronically and who are attending the Meeting. The Members who have cast their vote electronically would be entitled to attend the Annual General Meeting but would not be permitted to cast their vote again at the Meeting.

Once the vote is cast, the Member cannot change the same or recast the same again.

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 the recommendation of the Audit Committee at its meeting held on May 11, 2018, the Board has, considered and approved the appointment of Messrs. Shome and Banerjee (Cost Accountants) as the cost auditor for the financial year 2018-19 at a remuneration of ₹ 1 lakh per annum plus applicable taxes and reimbursement of out of pocket expenses.

The Board recommends the resolution at item no. 4 of the accompanying notice for the approval of shareholders of the Company as an Ordinary Resolution.

None of the Directors/Key Managerial Personnel of the Company/their relatives are in any way, concerned or interested, financially or otherwise, in the said resolution.

Item No. 5

As per the provisions of Section 20 of the Companies Act, 2013, a shareholder may request for any document through a particular mode, for which the shareholder shall pay such fees as may be determined by the Company in its Annual General Meeting. Since the cost of providing documents may vary according to the mode of service, weight and its destination etc., it is therefore proposed that actual expense borne by the Company for such dispatch will be paid in advance by the shareholder to the Company. Accordingly, the Board of Directors of your Company recommends the Resolution set out in Item No. 5 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 or their relatives are in any way, financially or otherwise concerned or interested in the said resolution.

Item No. 6

The Board of Directors of the Company on the recommendation of the Nomination and Remuneration Committee appointed Mrs. Avarna Jain as an Additional Director of the Company with effect from May 29, 2018. The term of office of Mrs. Avarna Jain as an Additional Director shall be only up to the date of the forthcoming Annual General Meeting in terms of Section 161 of the Companies Act, 2013.

Brief profile covering the details of his qualification, experience etc., as required pursuant to Secretarial Standards on General Meeting, is annexed to this Notice.

The Board considers that on account of vast knowledge and experience of Mrs. Avarna Jain her appointment will be in the interest of the Company.

The Members are requested to consider the appointment of Mrs. Avarna Jain as a Non-Executive Director of the Company and pass the proposed ordinary resolution as set out in Item No. 6.

Except Mrs. Avarna Jain, Mr. Sanjiv Goenka, Mrs. Preeti Goenka and Mrs. Sushila Goenka, 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. 7

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 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.

Section 149(10) of the Act provides that an Independent Director shall hold office for a term of up to five consecutive years on the Board and shall be eligible for re-appointment on passing a special resolution by the company and disclosure of such appointment in its Board's report.

Mr. Bhaskar Raychaudhuri aged 75 years was appointed as an Independent Director on the Board of the Company pursuant to the provisions of Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the erstwhile Clause 49 of the Listing Agreement with the stock exchanges. He holds office as an Independent Director of the Company up to March 31, 2019 ("first term" in line with the explanation to Sections 149(10) and 149(11) of the Act).

The Nomination and Remuneration Committee of the Board of Directors, on the basis of the report of performance evaluation of Independent Directors, has recommended the re-appointment of Mr. Bhaskar Raychaudhuri as an Independent Director for a second term of 5 (five) consecutive years on the Board of the Company and continuation of office as the Non-Executive Independent Director of the Company.

**NOTICE (contd.)**

The Board, based on the performance evaluation of Independent Directors and as per the recommendation of the Nomination and Remuneration Committee, considers that, given the background and experience and contribution made by him during his tenure, the continued association of Mr. Bhaskar Raychaudhuri would be beneficial to the Company and it is desirable to continue to avail his services as an Independent Director. Accordingly, it is proposed to re-appoint Mr. Bhaskar Raychaudhuri as Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company. Section 149 of the Act and provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") inter alia prescribe that an independent director of a company shall meet the criteria of independence as provided in Section 149(6) of the Act. Section 149(10) of the Act provides that an independent director shall hold office for a term of up to five consecutive years on the Board and shall be eligible for re-appointment on passing a special resolution by the company and disclosure of such appointment in its Board's report. Section 149(11) provides that an independent director may hold office for up to two consecutive terms.

Mr. Bhaskar Raychaudhuri is not disqualified from being appointed as Director in terms of Section 164 of the Act and have given his consent to act as Director.

The Company has received declaration from Mr. Bhaskar Raychaudhuri that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Listing Regulations.

In the opinion of the Board, Mr. Bhaskar Raychaudhuri fulfils the conditions for appointment as an Independent Director as specified in the Act and the Listing Regulations. Mr. Bhaskar Raychaudhuri is independent of the management. Details of Directors whose re-appointment as an Independent Director is proposed, is provided in the "Annexure" to the Notice pursuant to the provisions of (i) the Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India. Copy of draft letter of appointment of Mr. Bhaskar Raychaudhuri setting out the terms and conditions of appointment will be available for inspection by the Members at the Registered Office of the Company.

The Members are requested to consider the continuation of Directorship of Mr. Bhaskar Raychaudhuri and his appointment as a Non-Executive Independent Director of the Company for second term of 5 (five) consecutive years and pass the proposed special resolution as set out in Item No. 7.

Except Mr. Bhaskar Raychaudhuri, 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. 8

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 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.

Mrs. Sushila Goenka aged 82 years was appointed as a Non-Executive Director of the Company.

The Board, as per the recommendation of the Nomination and Remuneration Committee, considers that, given the background, experience and contribution made by her during her tenure as a Non-Executive Director and her continued association would be beneficial to the Company and hence it is desirable to continue to avail her services as a Non-Executive Director.

The Members are requested to consider the continuation of Directorship of Mrs. Sushila Goenka as a Non-Executive Director and pass the proposed special resolution as set out in Item No. 8.

Except Mrs. Sushila Goenka, Mrs. Avarna Jain, Mr. Sanjiv Goenka and Mrs. Preeti Goenka, 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. 9

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 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.

Mr. Noshir Naval Framjee aged 77 years was appointed as a Non-Executive Independent Director of the Company.

The Board, as per the recommendation of the Nomination and Remuneration Committee, considers that, given the background, experience and contribution made by him during his tenure as a Non-Executive Independent Director and his continued association would be beneficial to the Company and hence it is desirable to continue to avail his services as a Non-Executive Independent Director.

The Members are requested to consider the continuation of Directorship of Mr. Noshir Naval Framjee as a Non-Executive Independent Director of the Company and pass the proposed special resolution as set out in Item No. 9.

Except Mr. Noshir Naval Framjee, 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.

NOTICE (contd.)**Item No: 10**

The Members of the Company on July 31, 2015 had approved the appointment of Mr. Vikram Mehra (DIN: 03556680) as a Managing Director of the Company and the terms of remuneration payable to him.

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 January 24, 2018 decided to revise the salary payable to Mr. Vikram Mehra (DIN: 03556680) w.e.f. July 1, 2017. Details of revised remuneration paid / payable to Mr. Vikram Mehra (DIN: 03556680) is given below:

Basic Salary	₹ 74,91,000 per annum
House Rent Allowance	₹ 44,94,600 per annum
Customized Allowance Pool (comprising of Management Allowance)	₹ 2,02,63,896 per annum
Car	₹ 11,98,560 per annum
Driver, Petrol and others	₹ 5,99,280 per annum
Medical	₹ 18,732 per annum
Performance Bonus	₹ 87,41,248 This is only an indicative amount. The actual Bonus is based on performance of both individual and Company; as per company's policy.
Provident Fund	₹ 8,98,920 per annum
Total	₹ 4,37,06,236 per annum

The other allowances such as club fees, hospitalization insurance, term life insurance premium, reimbursements, benefits and perquisites payable to Mr. Mehra as approved by the shareholders at its meeting held on July 31, 2015 shall remain unchanged except to the extent altered as above. Provided further, the total annual remuneration payable to Mr. Mehra is in accordance with the conditions as contained in Section 197 read with Schedule V of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013.

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 15-16	FY 16-17	FY 17-18
Total Revenue	22,476.56 (IGAAP)	22,401.38	35,982.51
Profit after Tax	754.43 (IGAAP)	1000.20	3,050.73

- Foreign investments or Collaborators, if any:

The Company has made investments in its two international subsidiaries.

II. Information about the Managing Director:

1. Background Details:

Mr. Vikram Mehra is the Managing Director of the Company since October 27, 2014. Before joining Saregama, Mr. Mehra served as Chief Marketing Officer and Chief Commercial Officer at Tata Sky Limited until October 2014. In his decade-long stint at Tata Sky, he was responsible for subscription revenue management, brand marketing, new product development, customer analytics, interactive service operations, consumer research and PR. Mr. Mehra has a wealth of experience in handling the ever developing digital platforms. His deep understanding of various aspects and facets of digital media spearheads the growth momentum at Saregama of transforming and expanding the music label into a digital business. He started his career with Tata Consultancy Services as Senior Systems Analyst. After spending two years there, he moved to Tata Administrative Services as a Manager. He has also worked with Tata Motors during his seven year stint with Tata Group. Prior to joining Tata Sky, he was with News Corp owned STAR TV from 2000 to 2004 as Vice President, where he led its foray into DTH and cable services in India. He has been a 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.

NOTICE (contd.)

2. Past remuneration:

₹ 3,97,32,945 per annum.

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.

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:

Details of revised remuneration paid / payable to Mr. Vikram Mehra (DIN: 03556680) is given below:

Basic Salary	₹ 74,91,000 per annum
House Rent Allowance	₹ 44,94,600 per annum
Customized Allowance Pool (comprising of Management Allowance)	₹ 2,02,63,986 per annum
Car	₹ 11,98,560 per annum
Driver, Petrol and others	₹ 5,99,280 per annum
Medical	₹ 18,732 per annum
Performance Bonus	₹ 87,41,248 This is only an indicative amount. The actual Bonus is based on performance of both individual and Company; as per company's policy.
Provident Fund	₹ 8,98,920 per annum
Total	₹ 4,37,06,236 per annum

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, if any:

The Managing Director have no pecuniary relationship directly or indirectly with the Company except to the extent of their remuneration and shareholdings in the Company.

III. Other Information:

1. Reasons of loss or inadequate profits:

The Company has been running its operations efficiently and has been consistently reporting profits.

2. Steps taken or proposed to be taken for improvement:

The Company remains committed to generate superior returns for its stakeholders and has been successfully taking business initiatives to grow size of its operations and the profits.

3. Expected increase in productivity and profits in measurable terms:

The parameters of assessing productivity have been widely accepted norms of market share and profitability/financial ratios. The Company has shown appreciable improvements on these parameters besides reporting healthy profits.

IV. Disclosures:

The past and proposed remuneration of the Managing Director is mentioned under the heading "Information about the Managing Director" above.

(1) Remuneration package of the managerial person: Same is fully described in the respective Resolution and/or Explanatory Statement;



NOTICE (contd.)

- (2) Following disclosures in the Board of Directors' report under the heading 'Corporate Governance' has been attached to this Annual Report in respect of the:
- 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 Nomination and Remuneration Committee, vide circular resolution passed on January 24, 2018, has reviewed *de novo* the sum of ₹ 258.08 lakhs held in trust in previous year's accounts by Managing Director, and concluded that the sum of ₹ 140.70 lakhs is within applicable statute and balance amount of ₹117.38 lakhs has been accounted in the current year's accounts as managerial remuneration considering the contributions made by Mr. Mehra in FY18 with increase in PAT by 205% to 30.5 Cr. Such adjustments are fully in line with all applicable statutory obligations; including Income Tax obligation as the applicable income tax was deducted at source & deposited with the Income Tax authorities at the time of payment during earlier year as per relevant provisions of the Income Tax law.

For such accounting of managerial remuneration, the approval of Central Government will not be required as per Notification No.S.O.2922 (E) dated 12th September, 2016 issued by the Ministry of Corporate Affairs since the Managing Director is functioning in a professional capacity and is not holding any shares in the Company and its holding company or subsidiary companies directly or indirectly and is not related to directors or promoters of the Company or its holding company or subsidiary companies.

The Board recommends the resolution set forth in Item No. 10 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. 11

Mr. Ghanashyam Bhagwan Aayeer was appointed as a Whole-time Director on July 22, 2016. The Board considered that the continued association of Mr. Ghanashyam Bhagwan Aayeer for smooth and efficient running of the financial and administrative affairs of the Company would be of immense benefit to the Company whereby it is desirable to continue to avail of his services as Whole-time Director. The Nomination and Remuneration Committee at its meeting held on August 4, 2017 after considering the profile of Mr. Ghanashyam Bhagwan Aayeer recommended to the Board the remuneration paid / payable to Mr. G. B. Aayeer w.e.f. July 1, 2017 subject to the approval of shareholders on the following terms and conditions:

	(Amt. in ₹)
A. Salary	
Basic Salary	54,27,071 per annum
B. Customized Allowance Pool	81,32,827 per annum
C. Retirals	
Provident Fund	6,51,248 per annum
Gratuity	2,61,042 per annum
Total of Retirals (C)	9,12,291 per annum
D. Performance Bonus	36,18,047 per annum
	This is only an indicative amount. The actual bonus is based on performance of both individual and Company; as per the Company's policy.
Total (A+B+C+D)	1,80,90,235 per annum

The other allowances, reimbursements, benefits and perquisites paid / payable to Mr. G. B. Aayeer as approved by the shareholders at its meetings held on 27th July, 2012, 26th July, 2013, 30th July, 2014 and 31st July, 2015 shall remain unchanged except to the extent altered as above.

Your Board recommends that the Resolution set out in Item No. 11 of the Notice convening the Meeting be approved by the Members.

Mr. Ghanashyam Bhagwan Aayeer has relinquished the office of Whole-Time Director of the Company w.e.f. May 28, 2018 in view of the impending retirement from the services of the Company.

The Board of Directors recommends passing of the Special Resolution at Item No.11 of the Notice.

Except Mr. Ghanashyam Bhagwan Aayeer, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or have interest, financial or otherwise, in the said resolution.



NOTICE (contd.)

Item No. 12

The Members at the 66th Annual General Meeting held on July 26, 2013 approved the Saregama Employees Stock Option Scheme 2013 ('ESOP 2013' or 'the Scheme') as formulated as in order to insert the several amendments made in the guidelines from time to time. Subsequently, at the 68th Annual General Meeting of the Company held on July 31, 2015 the Members have approved the ESOP 2013 Scheme pursuant to the provisions of Section 62 and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), erstwhile Companies Act, 1956, the provisions contained in the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

The 'Saregama Employees Stock Option Scheme 2013' as already approved states that number of Shares, which shall be granted under the Scheme, shall not exceed 5% of the issued and subscribed Share Capital of the Company as on 31st March 2013 i.e. not exceeding 8,70,146 equity shares such that the maximum number of Options granted to any one Eligible Employee shall not exceed 30,000 (thirty thousand) in a financial year.

To keep in conformity with the 'Saregama Employees Stock Option Scheme 2013', it is proposed to accord the approval of shareholders to amend the said resolution in order to insert the provision to grant a maximum of 5% of the issued and subscribed Share Capital of the Company as on 31st March 2013 i.e. not exceeding 8,70,146 equity shares such that the maximum number of Options granted to any one Eligible Employee shall not exceed 30,000 (thirty thousand) in a financial year, whereby other terms and conditions remaining unaltered.

A copy of the ESOP 2013 scheme will be available for inspection by the Members at the Registered Office of the Company during normal business hours and on all working days except Saturday and National Holidays up to the date of the Annual General Meeting.

The Board recommends the resolution in Item No. 12 for the approval of the Members as Special Resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or have interest, financial or otherwise, in the said resolution except to the extent of their entitlements, if any, under the ESOP Scheme.

Item No.13

With a view to introduce a long term incentive tool to attract, motivate and retain talent as well as to provide wealth creation opportunities to its employees, the Company had formulated and implemented the Saregama Employees Stock Option Scheme 2013 ("ESOP 2013"). ESOP 2013 was initially approved by Members at the Annual General Meeting of the Company held on July 26, 2013. Subsequently, at the 68th Annual General Meeting of the Company held on July 31, 2015, the Members have approved the ESOP 2013 Scheme pursuant to the provisions of Section 62 and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), erstwhile provisions of the Companies Act, 1956 and the provisions contained in the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. Further, ESOP 2013 was also extended to the permanent employees of the subsidiary company(ies) (present and future) at the Annual General Meeting held on July 26, 2013. For rewarding the employees on the basis of their individual performance, importance to the Company and also to facilitate best in class talent recruitment and retention of employees by the Company and its subsidiaries and as per the recommendation of Nomination and Remuneration Committee of the Board of Directors of the Company proposes to amend various clauses in ESOP 2013 as mentioned below:

In clause 7.2 - the Optionees will be permitted to exercise their Options twice every year on 30th June and 31st December shall be deleted.

Existing clause	Proposed clause
<p>Clause 7.3 – vesting period</p> <p>a) The Options shall vest as per the following schedule: After 1 year from the date of grant : 20% of Options granted After 2 years from the date of grant : 20% of Options granted After 3 years from the date of grant : 20% of Options granted After 4 years from the date of grant : 20% of Options granted After 5 years from the date of grant : 20% of Options granted</p> <p>b) The grant and the vesting and exercise thereafter shall be subject to:</p> <p>(i) continued satisfactory performance of the Employee as determined by the Company in the annual appraisal and communicated to him;</p> <p>(ii) no solicitation of Employees for two years after separation from the Company; and</p> <p>(iii) no solicitation of work from the clients of the Company for a period of two years after separation from the Company. The Company shall be entitled to seek remedy in the event of breach of any of the above conditions even after exercise of the Options. Any waiver of the above conditions shall be at the sole discretion of the Compensation Committee.</p>	<p>a) The Options shall vest as per the following schedule: After 1 year from the date of grant : 20% of Options granted After 2 years from the date of grant : 20% of Options granted After 3 years from the date of grant : 20% of Options granted After 4 years from the date of grant : 20% of Options granted After 5 years from the date of grant : 20% of Options granted</p> <p>b) The grant and the vesting and exercise thereafter shall be subject to:</p> <p>(i) Continued satisfactory performance of the Employee as determined by the Company in the annual appraisal and communicated to him;</p> <p>(ii) no solicitation of Employees for two years after separation from the Company; and</p> <p>(iii) no solicitation of work from the clients of the Company for a period of two years after separation from the Company. The Company shall be entitled to seek remedy in the event of breach of any of the above conditions even after exercise of the Options. Any waiver of the above conditions shall be at the sole discretion of the Nomination and Remuneration Committee.</p> <p>c) In case the Options are not exercised by the Employee within the Exercise Period they will lapse and no rights will accrue after that date.</p>

NOTICE (contd.)

Existing clause	Proposed clause
c) In case the Options are not exercised by the Employee within the Exercise Period they will lapse and no rights will accrue after that date.	d) The Employee can opt for conversion of his Options by applying to the Company during the Exercise Period, by way of an “Exercise Application”.
d) The Employee can opt for conversion of his Options by applying to the Company during the Exercise Period, by way of an “Exercise Application”.	e) In addition to this, the Nomination and Remuneration Committee, in its discretion, at the time of each grant, may lay down certain performance metrics on the achievement of which the granted options would vest, the detailed terms and conditions relating to such performance based vesting, and the proportion in which options granted under the Scheme would vest. Provided however that the Nomination and Remuneration Committee may, at its discretion, increase or decrease the periodical vesting periods mentioned in sub-clause (a) above for any or all the Eligible Employees if it considers expedient.

A copy of the ESOP 2013 scheme will be available for inspection by the Members at the Registered Office of the Company during normal business hours and on all working days except Saturday and National Holidays up to the date of the Annual General Meeting.

The Board recommends the resolution in Item No. 13 for the approval of the Members as Special Resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or have interest, financial or otherwise, in the said resolution except to the extent of their entitlements, if any, under the ESOP Scheme.

Item Nos. 14 and 15

Human Resources play a vital role in the growth and success of an organization. It is necessary for a company to adopt effective measures to attract and retain talent and remain competitive in the challenging global market. In addition to being a useful instrument to attract and retain talent, stock appreciation are also recognized as effective instruments to encourage and reward the performance of its Employees who are the drivers of company’s growth and to retain them for ensuring stable growth by providing opportunities to such executives to own equity shares of the company. Saregama Stock Appreciation Rights Scheme – 2018 (‘SAR 2018’) is intended to reward eligible employees for their performance, commitment and support for the growth of your Company and to provide an incentive to continue contributing to the success of your Company. It is envisaged that the SAR 2018 will enable your Company to attract and retain the best available talent by making them partners in business and its growth. The Board of Directors (‘the Board’), at its meeting held on May 11, 2018, has identified the need to reward the Employees and the Directors (including the whole-time and Non-Executive Directors but excluding Independent Directors) of your Company so as to enable them to participate in the future growth and financial success of your Company and has created a stock appreciation rights scheme, viz. SAR 2018.

With the introduction of SEBI (Share Based Employee Benefits) Regulations, 2014 (‘the Regulations’), the Board, on receipt of recommendation of the Nomination and Remuneration Committee, is seeking approval of the Members for implementation of the SAR 2018.

The salient features of the SAR 2018 are as under:

Sr. No.	Particulars	Details
A.	Description of the scheme	SAR 2018
B.	Total number of Stock Appreciation Rights (‘SAR’) to be granted	1,00,000
C.	Identification of Class of Employees entitled to participate in SAR	<p>Eligibility for grant of SAR</p> <p>(i) a permanent employee of the Company who has been working in India or outside India; or</p> <p>(ii) a director of the Company, whether a whole time director or not but excluding an independent director; or</p> <p>(iii) an employee as defined in clause (i) or (ii) of a subsidiary, in India or outside India or of a holding company of a company</p> <p>Employees not eligible for grant of SARs:</p> <p>(iv) An employee who is a promoter or belongs to the promoter group</p> <p>(v) A director who either himself or through his relative or through any body corporate, directly or indirectly holds more than 10 per cent of the outstanding equity shares of the Company at the time of granting of option.</p>



NOTICE (contd.)

D.	Requirement of Vesting and Period of Vesting	<p>a) The SARs shall vest as per the following schedule: After 1 year from the date of grant: 40% of SARs granted After 2 years from the date of grant: 20% of SARs granted After 3 years from the date of grant: 20% of SARs granted After 4 years from the date of grant: 20% of SARs granted</p> <p>b) The grant, vesting and exercise thereafter shall be subject to: (i) continued satisfactory performance of the Employee as determined by the Company in the annual appraisal and communicated to him; (ii) no solicitation of Employees for two years after separation from the Company; and (iii) no solicitation of work from the clients of the Company for a period of two years after separation from the Company. The Company shall be entitled to seek remedy in the event of breach of any of the above conditions even after exercise of the SARs. Any waiver of the above conditions shall be at the sole discretion of the Nomination and Remuneration Committee.</p> <p>c) In case the SARs are not exercised by the Employee within the Exercise Period they will lapse and no rights will accrue after that date.</p> <p>d) The Employee can opt for exercising the SARs by applying to the Company during the Exercise Period, by way of an “Exercise Application”.</p> <p>e) In addition to this, the Nomination and Remuneration Committee, in its discretion, at the time of each grant, may lay down certain performance metrics on the achievement of which the granted SARs would vest, the detailed terms and conditions relating to such performance based vesting, and the proportion in which SARs are granted under the Scheme would vest. Provided however that the Nomination and Remuneration Committee may, at its discretion, increase or decrease the periodical vesting periods mentioned in sub-clause (a) above for any or all the Eligible Employees if it considers expedient.</p>
E.	Maximum period within which the SARs shall be vested	The maximum period within which the SARs shall be vested would be four years from the date of grant.
F.	Exercise Price or Pricing Formula	The Exercise price for grant of SAR shall be the market price of the share of the Company on the date of exercise of stock appreciation right (SAR).
G.	Exercise Period and Process of Exercise	The exercise period shall commence from the date of vesting and expire at the end of ten years from the relevant vesting date i.e. where the options are vested in tranches, the ‘date of vesting’ referred to hereinabove, would be with reference to the actual vesting of the options at each tranche / phase or installment of vesting. The options would be exercisable by submitting the requisite application form / exercise notice to the Company or such other person as the Company may prescribe, subject to conditions for payment of Exercise Price in the manner prescribed by the Board. All the participants in the Scheme shall deliver a written notice of exercise, in the prescribed form, to the Board on or before the expiry of the exercise period.
H.	Appraisal Process for determining the eligibility of employees for the Scheme	<p>The appraisal process for determining the eligibility of the employee will be specified by the Board and will be based on any or all of the following criteria:</p> <ul style="list-style-type: none"> · Performance of the employee · Position and responsibility of the employee · Present grade and compensation structure of the employee · Exceptional contribution made by the employee · Integrity and behavior of the employee · Such other parameters as may be decided by the Board · The committee may at its discretion extend the benefits of the SAR to a new entrant or any existing employee on such other basis as it may deem fit.
I.	Maximum number of SARs / Quantum of benefits to be issued per employee and in aggregate	The maximum number of SARs granted under the Scheme shall not exceed 1,00,000 (one lakh). The maximum number of SARDS granted to any one Eligible Employee shall not exceed 1,00,000 in a financial year.
J.	Maximum quantum of benefits to be issued per employee	The maximum number of SARs granted to any one Eligible Employee shall not exceed 1,00,000 in a financial year.


NOTICE (contd.)

K.	Scheme administration	The scheme will be managed directly by the Company.
L.	Whether the scheme(s) involves new issue of shares by the Company	There will not be any new issue of shares.
M.	The amount of loan to be provided for implementation of the scheme(s) by the Company to the trust, its tenure, utilization, repayment terms, etc.;	Not applicable.
N.	Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the trust for the purposes of the scheme(s);	Not applicable.
O.	Confirmation with the Accounting Policies	The Company shall confirm to the Accounting Policies specified in Regulation 15 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the 'Guidance Note on Accounting for employee share-based Payments' (Guidance Note) or Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India (ICAI) from time to time, including the disclosure requirements prescribed therein or applicable Accounting Standard as may be prescribed by the ICAI from time to time.
P.	The method the Company shall use to value the SARs	The Company shall follow the fair value method to value the SARs.

The SAR 2018 scheme does not involve any new issue of shares.

A copy of the proposed SAR 2018 scheme will be available for inspection by the Members at the Registered Office of the Company during normal business hours and on all working days except Saturday and National Holidays up to the date of the Annual General Meeting.

As per Regulation 6(1) of SEBI (Share Based Employee Benefits) Regulations, 2014, any offerings to be made to employees of the company, *interalia*, under the Stock Appreciation Rights Scheme is required to be approved by way of a Special Resolution.

Regulation 6(3)(c) of the SEBI (Share Based Employee Benefits) Regulations, 2014 requires that a separate resolution is required to be passed if the benefits of SAR 2018 are to be extended to eligible employees of the subsidiary/holding/associate companies of your Company.

Accordingly, the Board is placing the resolutions set out at Item Nos. 14 and 15 for approval of the Members.

The SARs to be granted under SAR 2018 shall not be treated as an offer or invitation made to public for subscription in the securities of the Company.

The Board recommends passing of the resolutions mentioned in Item Nos. 14 and 15 as Special Resolutions.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or have interest, financial or otherwise, in the said resolution except to the extent of the SARs that may be offered to them under SAR 2018.

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

By Order of the Board

Kamana Khetan
Company Secretary

Dated: May 29, 2018
Place: Kolkata
CIN: L22213WB1946PLC014346



NOTICE (contd.)

ANNEXURE TO THE NOTICE

Details of Director seeking Appointment/re-appointment at the Annual General Meeting

Name of the Director	Mr. Vikram Mehra	Mrs. Avarna Jain	Mr. Bhaskar Raychaudhuri
DIN	03556680	02106305	00277913
Date of Birth	30-07-1971	02-10-1985	26-02-1943
Date of first Appointment on the Board	October 27, 2014	May 29, 2018	May 27, 2013
Brief resume and expertise in Specific Functional Areas	<p>Mr. Vikram Mehra is the Managing Director of the Company since October 27, 2014. Before joining Saregama, Mr. Mehra served as Chief Marketing Officer and Chief Commercial Officer at Tata Sky Limited until October 2014. In his decade-long stint at Tata Sky, he was responsible for subscription revenue management, brand marketing, new product development, customer analytics, interactive service operations, consumer research and PR. Mr. Mehra has a wealth of experience in handling the ever developing digital platforms. His deep understanding of various aspects and facets of digital media spearheads the growth momentum at Saregama of transforming and expanding the music label into a digital business. He started his career with Tata Consultancy Services as Senior Systems Analyst. After spending two years there, he moved to Tata Administrative Services as a Manager. He has also worked with Tata Motors during his seven year stint with Tata Group. Prior to joining Tata Sky, he was with News Corp owned STAR TV from 2000 to 2004 as Vice President, where he led its foray into DTH and cable services in India. He has been a 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.</p>	<p>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.</p>	<p>Mr. Bhaskar Raychaudhuri has over 43 years of experience in both staff and line function in diverse industries of which 28 years of rich experience in the Power Sector in Senior Management. Mr. Raychaudhuri has been associated with CESC Limited since 1980 and his areas of work included Finance, Legal & Business Development for Power Business Group while reporting to Managing Director & CEO. He was designated as Executive Director (Finance) of CESC Limited till March, 2005. As a Whole-time Director of Crescent Power Limited since April 2005, Mr. Raychaudhuri had been associated with development and financing of new power projects in RPG Group till April, 2009. Prior to joining CESC Limited, Mr. Raychaudhuri worked with Indian Oxygen Limited (presently Linde India Limited), Indian Aluminium Company Limited (presently Hindalco Industries Limited) and Reckitt & Colman of India Limited (presently Reckitt, Benckiser (India) Limited). He was a member of Direct Tax Sub-committee of Bengal Chamber of Commerce & Industry (BCCI) and Economics & Finance Sub-committee of Confederation of Indian Industries (CII). Mr. Raychaudhuri had networking and a strong association with various authorities / organizations in Power and Finance Sectors both in India and abroad like Central Electricity Authority, Ministry of Power, New Delhi, IFC (Washington and Delhi), ICICI, IDBI, IDFC, SBI Capital Markets and ADB (Manila).</p>
Qualifications	<p>Mr. Mehra holds MBA from IIM Lucknow and a B.Tech in Computer Science from IIT Roorkee.</p>	<p>Mrs. Avarna Jain holds professional qualification of Bachelor of Arts in communication from University of Pennsylvania.</p>	<p>Mr. Bhaskar Raychaudhuri is a Graduate in Commerce and a Chartered Accountant.</p>



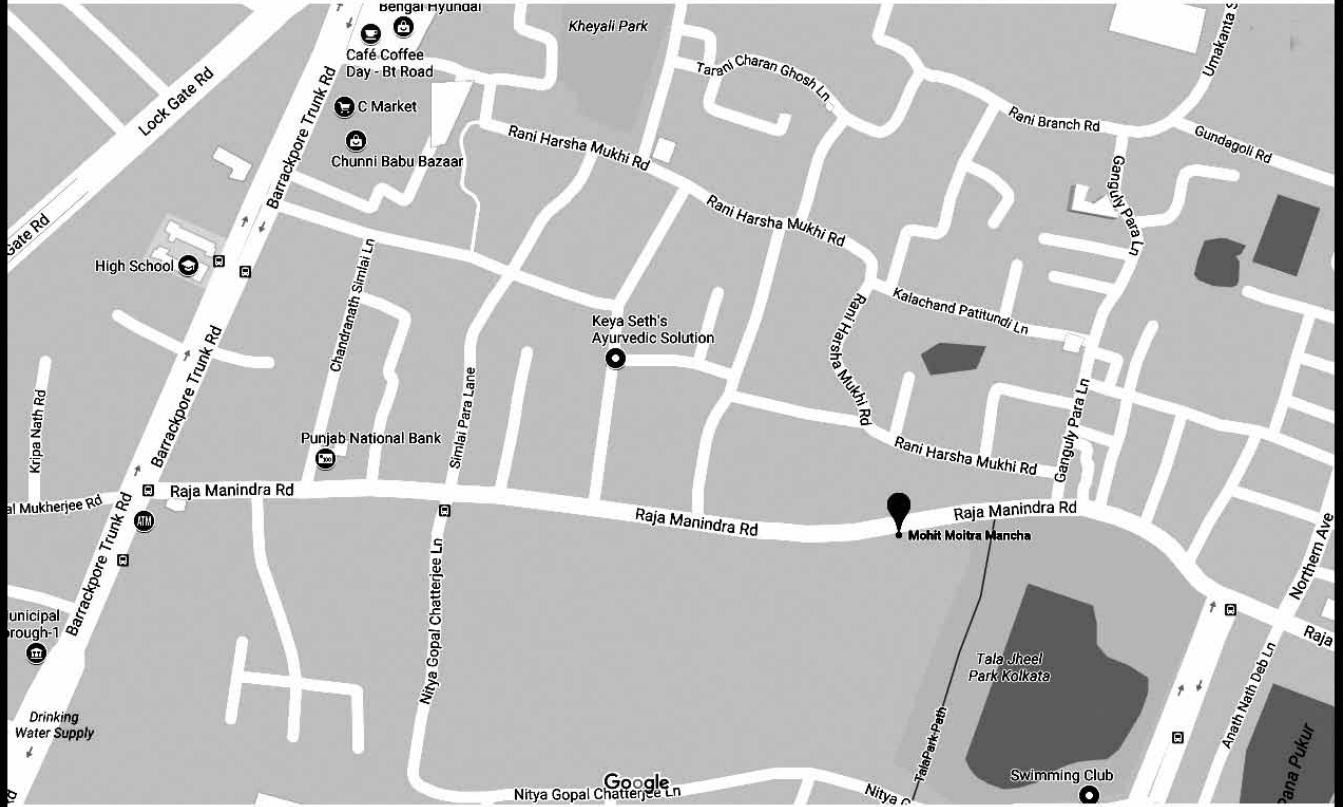
NOTICE (contd.)

Name of the Director	Mr. Vikram Mehra	Mrs. Avarna Jain	Mr. Bhaskar Raychaudhuri
Directorship held in other public companies (excluding foreign and private companies, but includes directorship held in private companies which are subsidiaries of public companies)	The Indian Performing Right Society Limited.	Grand Royale Enterprises Limited.	Haldia Energy Limited, Jharkhand Electric Company Ltd., Crescent Power Limited, Au Bon Pain Café India Limited, Surya Vidyut Limited, Dhariwal Infrastructure Limited, RPG Power Trading Company Ltd., CESC Projects Limited and Spen Liq Private Limited.
Membership / Chairmanship of committees of other Public Limited Companies [other than Saregama India Limited] (Audit Committee and Stakeholder's Relationship Committee only)	Nil	Nil	Member of Audit Committees of Haldia Energy Limited, Crescent Power Limited, Au Bon Pain Café India Limited, RPG Power Trading Company Ltd., Surya Vidyut Limited, CESC Projects Limited, Dhariwal Infrastructure Limited and Spen Liq Private Limited.
Disclosure of relationships between directors interse and Manager and other Key Managerial Personnel of the Company	Nil	Mrs. Avarna Jain is related to Mr. Sanjiv Goenka, Mrs. Preeti Goenka and Mrs. Sushila Goenka, the Non-Executive Directors of the Company.	Nil
Terms and conditions of appointment or re-appointment	As mentioned in the Item No. 10 of the Notice to 71st Annual General Meeting.	Mrs. Avarna Jain will be appointed as a Non-Executive Director of the Company.	As mentioned in Item No. 7 of the Notice to 71st Annual General Meeting.
Details of remuneration sought to be paid and the remuneration last drawn by such person	As mentioned in the Item No. 10 of the Notice to 71st Annual General Meeting.	Nil except sitting fees.	Nil except sitting fees.
No. of shares held in the Company as on the date of Notice	Nil	Nil	Nil
Number of Board meetings attended during the year	4	N.A.	4



NOTICE (contd.)

ROUTE MAP TO SAREGAMA AGM VENUE



Mohit Moitra Mancha
34/1, Raja Manindra Road, Paikpara
Kolkata - 700 037

Form No. MGT-11

Proxy Form

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s):
Registered address:
E-mail Id:
Folio No./ Client Id:
DP ID:

I/ We being the member of Saregama India Limited holding shares, hereby appoint

1. Name:
Address:
E-mail Id:
Signature:or failing him/her
2. Name:
Address:
E-mail Id:
Signature:or failing him/her
3. Name:
Address:
E-mail Id:
Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at 71st Annual General Meeting of Members of the Company, to be held on Friday, July 27, 2018 at Mohit Moitra Mancha, 34/1, Raja Manindra Road, Paikpara, Kolkata - 700 037 at 10.00 A.M., and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Resolutions	Optional*		
		For	Against	Abstain
1.	To receive, consider and adopt: (a) the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2018, together with the Reports of the Board of Directors and Auditors thereon. (b) The Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2018 and the Report of Auditors thereon.			
2.	To declare a final dividend of ₹ 3.00 per equity share for the year ended March 31, 2018.			
3.	To appoint Mr. Vikram Mehra (DIN: 03556680), who retires by rotation and being eligible, offers himself for re-appointment as a Director.			
4.	To ratify the remuneration of Cost Auditor.			
5.	To fix minimum fee for serving various documents on Members of the Company.			
6.	To appoint Mrs. Avarna Jain (DIN: 02106305) as a Non-Executive Director.			
7.	To appoint Mr. Bhaskar Raychaudhuri (DIN:00277913) as a Non-Executive Independent Director.			
8.	To continue the Directorship of Mrs. Sushila Goenka (DIN: 00087692) as a Non-Executive Director.			
9.	To continue the Directorship of Mr. Noshir Naval Framjee (DIN: 01646640) as a Non-Executive Independent Director.			
10.	To vary the remuneration paid / payable to Mr. Vikram Mehra (DIN: 03556680), Managing Director of the Company.			
11.	To vary the remuneration paid / payable to Mr. Ghanashyam Bhagwan Aayeer (DIN: 00087760), Whole-Time Director of the Company.			
12.	To approve the maximum number of grant of options to be made under the Saregama Employees Stock Option Scheme 2013.			
13.	To consider the amendment in Saregama Employees Stock Option Scheme 2013.			
14.	To formulate Saregama Stock Appreciation Rights Scheme 2018 and issue of Stock Appreciation Rights to the eligible employees of the Company.			
15.	To extend the benefits of Saregama Stock Appreciation Rights Scheme 2018 to employees of subsidiary or holding or associate company.			

Signed this day of 2018
Signature of Shareholder:
Signature of Proxy holder(s):

Affix
Revenue
Stamp

Note:

1. **This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, before the commencement of the Meeting.**
2. For the Resolutions, Explanatory Statements and Notes, please refer the Notice of Annual General Meeting.
3. The Company reserves its right to ask for identification of the proxy.
4. The proxy form should be signed across the Revenue Stamp as per specimen signature(s) registered with the Company/depository participant.
5. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A Member holding more than ten percent of the total share capital of the Company may appoint a single person as a proxy and such person cannot act as a proxy for any other person or shareholder.
6. *It is optional to put 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all resolution, your proxy will be entitled to vote in the manner as he/she thinks appropriate.

Saregama India Limited

'The Studios @ Dum Dum', 33, Jessore Road, Kolkata - 700 028, India