is pleased to invite you to the

Q3FY23 Results Conference Call

of

Saregama India Ltd

Represented by

Mr. Vikram Mehra, Managing Director

Mr. Pankaj Chaturvedi, CFO

Mr. BL Chandak, Executive Director

Mr. Saket Sah, Head - Investor Relations

Mr. Pankaj Kedia, Vice President - Investor Relations

on

Tuesday, January 24, 2023

at 16:00 hrs India Time

Diamond Pass registration link:

Copy this Link in your browser: **Link**

Call Co-ordinator

Mr. Bhupendra Tiwary: +91 9619147052, e-mail: bhupendra.tiwary@icicisecurities.com

For any clarification, please contact:

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Ms. Seema Sehgal: Phone: +91 11 4221 8511, e-mail: seema.sehgal@icicisecurities.com

RP - Sanjiv Goenka Group

Saregama India Limited
Registered Office: 33, Jessore Road, Dum Dum, Kolkata - 700 028
web: www.saregama.com, Email id: co.sec@saregama.com, Phone no: 033-2551-2984
CIN:L22213WB1946PLC014346

(Rs. in Lakhs)

Statement of Consolidated Financial Results for the Three Months and Nine Months Ended 31 December 2022

Sl. No.	Particulars	**3 Months ended 31 December 2022 (Unaudited)**	3 Months ended 30 September 2022 (Unaudited)	3 Months ended 31 December 2021 (Unaudited)	**9 Months ended 31 December 2022 (Unaudited)**	9 Months ended 31 December 2021 (Unaudited)	Year ended 31 March 2022 (Audited)
1	**Income**						
	(a) Revenue from operations	**18,546**	18,916	15,034	**54,392**	40,039	58,063
	(b) Other income	**1,515**	1,138	812	**3,638**	1,607	3,491
	Total Income	**20,061**	20,054	15,846	**58,030**	41,646	61,554
2	**Expenses**						
	(a) Operational cost*	**4,692**	5,349	3,277	**15,027**	8,184	14,311
	(b) Employee benefits expense	**2,167**	2,223	1,815	**6,258**	5,565	7,345
	(c) Finance costs	**136**	131	94	**407**	303	452
	(d) Depreciation and amortisation expense	**598**	456	354	**1,464**	860	1,310
	(e) Advertisement and sales promotion	**2,508**	1,832	1,297	**6,056**	3,507	5,205
	(f) Royalty expense	**1,770**	1,509	1,586	**4,532**	4,792	6,314
	(g) Other expenses	**1,148**	2,350	1,622	**5,463**	4,422	6,176
	Total Expenses	**13,019**	13,850	10,045	**39,207**	27,633	41,113
3	**Profit before exceptional items and tax (1-2)**	**7,042**	6,204	5,801	**18,823**	14,013	20,441
4	**Exceptional Items**	**-**	-	-	**-**	-	-
5	**Profit before tax (3-4)**	**7,042**	6,204	5,801	**18,823**	14,013	20,441
6	**Tax Expense**						
	(a) Current Tax	**1,649**	1,711	1,437	**4,800**	3,582	5,027
	(b) Deferred Tax (net)	**165**	(118)	10	**41**	(36)	149
	Total tax expense	**1,814**	1,593	1,447	**4,841**	3,546	5,176
7	**Profit for the period (5-6)**	**5,228**	4,611	4,354	**13,982**	10,467	15,265
8	**Other Comprehensive Income (net of taxes)**						
	(a) Items that will be reclassified to profit or loss	**126**	112	53	**220**	64	26
	(b) Items that will not be reclassified to profit or loss	**(392)**	943	(1,485)	**(441)**	5,874	3,817
	Total other comprehensive income	**(266)**	1,055	(1,432)	**(221)**	5,938	3,843
9	**Total comprehensive income for the period (7+8)**	**4,962**	5,666	2,922	**13,761**	16,405	19,108
10	**Profit for the period attributable to:**						
	(a) Owner of the Company	**5,252**	4,607	4,340	**14,000**	10,439	15,260
	(b) Non-controlling Interest	**(24)**	4	14	**(18)**	28	5
11	**Other Comprehensive Income for the period attributable to:**						
	(a) Owner of the Company	**(297)**	1,026	(1,443)	**(277)**	5,923	3,838
	(b) Non-controlling Interest	**31**	29	11	**56**	15	5
12	**Total Comprehensive Income for the period attributable to:**						
	(a) Owner of the Company	**4,955**	5,633	2,897	**13,723**	16,362	19,098
	(b) Non-controlling Interest	**7**	33	25	**38**	43	10
13	Paid-up Equity Share Capital (Face Value of Re.1/- each) (Refer Note 2)	**1,928**	1,928	1,928	**1,928**	1,928	1,928
14	Other equity						1,35,842
15	Earnings Per Share (Face Value Re.1/- each): # (Refer Note 2)						
	(a) Basic (Rs.)	**2.71**	2.39	2.36	**7.26**	5.89	8.43
	(b) Diluted (Rs.)	**2.71**	2.39	2.35	**7.26**	5.88	8.42

*Includes media content cost, contract manufacturing charges and cost of production of films, television serials and events.

#Figures for three months and nine months are not annualised.

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(Rs. in Lakhs)

Consolidated Segment wise Revenue, Results, Assets and Liabilities for the Three Months and Nine Months Ended 31 December 2022

Sl. No.	Particulars	**3 Months ended 31 December 2022 (Unaudited)**	3 Months ended 30 September 2022 (Unaudited)	3 Months ended 31 December 2021 (Unaudited)	**9 Months ended 31 December 2022 (Unaudited)**	9 Months ended 31 December 2021 (Unaudited)	Year ended 31 March 2022 (Audited)
1	**Segment Revenue**						
	(a) Music	**15,475**	15,090	13,333	**43,307**	34,671	47,381
	(b) Films, Television serials and Events	**2,719**	3,408	1,558	**9,989**	4,986	10,239
	(c) Publication	**352**	418	143	**1,096**	382	443
	Total Segment Revenue	**18,546**	18,916	15,034	**54,392**	40,039	58,063
	Less: Inter Segment Revenue	**-**	-	-	**-**	-	-
	Total Revenue from Operations	**18,546**	18,916	15,034	**54,392**	40,039	58,063
2	**Segment Results**						
	(a) Music	**7,046**	6,697	6,367	**19,791**	16,685	22,519
	(b) Films, Television serials and Events	**225**	27	323	**345**	750	1,491
	(c) Publication	**(56)**	(40)	(244)	**(133)**	(859)	(1,177)
	Total	**7,215**	6,684	6,446	**20,003**	16,576	22,833
	Less:						
	(a) Finance costs	**136**	131	94	**407**	303	452
	(b) Other unallocable expenditure net of unallocable income	**37**	349	551	**773**	2,260	1,940
	Total Profit Before Tax	**7,042**	6,204	5,801	**18,823**	14,013	20,441
3	**Segment Assets**						
	(a) Music	**60,906**	58,186	47,409	**60,906**	47,409	50,398
	(b) Films, Television serials and Events	**17,503**	13,874	8,761	**17,503**	8,761	11,077
	(c) Publication	**530**	579	603	**530**	603	528
	(d) Unallocated	**1,13,399**	1,14,066	1,14,906	**1,13,399**	1,14,906	1,06,784
	Total Segment Assets	**1,92,338**	1,86,705	1,71,679	**1,92,338**	1,71,679	1,68,787
4	**Segment Liabilities**						
	(a) Music	**29,374**	30,695	20,408	**29,374**	20,408	20,404
	(b) Films, Television serials and Events	**4,408**	2,515	2,361	**4,408**	2,361	2,757
	(c) Publication	**431**	424	387	**431**	387	296
	(d) Unallocated	**7,366**	6,890	7,615	**7,366**	7,615	7,237
	Total Segment Liabilities	**41,579**	40,524	30,771	**41,579**	30,771	30,694

NOTES:

1	The aforementioned results for the three months and nine months ended 31 December 2022 have been reviewed and recommended by the Audit Committee in their meeting held on 20 January 2023 and approved by the Board of Directors of the Parent Company at their meeting held on even date. These results have been subjected to limited review by the Statutory Auditors of the Parent Company who have issued an unmodified review report on the consolidated financial results for the three months and nine months ended 31 December 2022.
2	Pursuant to the Special Resolution passed by the Shareholders of the Parent Company by way of Postal Ballot through electronic means on 31 March 2022, the Parent Company has sub-divided its equity share of face value of Rs.10/- (Rs. Ten only) each fully paid up, into 10 (Ten) equity shares of face value Re.1/- (Rupee One only) each fully paid-up, effective from 28 April 2022. Hence, shares have now been adjusted on account of sub-division of share done by the Parent Company. This has been considered for calculating weighted average number of equity shares for all periods presented, as per Ind AS 33- Earnings Per Share.
3	The Consolidated financial results are prepared in accordance with the principles and procedures as set out in Ind AS 110, notified by Ministry of Corporate Affairs. The consolidated financial results of the Company include its seven subsidiaries (including one step-down subsidiary), i.e. Saregama Limited (formerly known as Saregama Plc.), RPG Global Music Limited, Saregama FZE, Kolkata Metro Networks Limited, Open Media Network Private Limited, Digidrive Distributors Limited and Saregama Inc. (Step-down subsidiary of Saregama India Limited) (hereinafter referred as "Group") combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses eliminating intra-company balances and transactions and resulting unrealised gains/losses. The Consolidated financial results are prepared applying uniform accounting policies. The Group has one joint venture i.e. Saregama Regency Optimedia Private Limited, which is under liquidation with effect from 19 September 2016. Accordingly, this entity has not been consolidated by the Group.
4	Based on the guiding principles given in Ind AS 108 on "Operating Segments", the Group's business activity falls within three operating segments, namely: (a) Music (b) Films, Television serials and Events (c) Publication Segment Revenue, Results, Assets and Liabilities represent amounts identifiable to each of the segments. Other "unallocable expenditure net of unallocable income" mainly includes interest income, expenses on common services not directly identifiable to individual segments and corporate expenses. Segment Assets and Segment Liabilities are as at 31 December 2022, 30 September 2022, 31 December 2021 and 31 March 2022. Unallocable corporate assets less unallocable corporate liabilities mainly represent investment of surplus funds and cash and bank balances.
5	The Board of Directors of the Parent Company in their meeting held on 20 January 2023 has declared an interim dividend for the financial year 2022-23 of Rs. 3/- per share (300% on the face value of Re.1/- each).
6	In view of pandemic relating to COVID – 19, the Group has considered internal and external information available up to the date of approval of these consolidated financial results and has performed analysis in assessing the recoverability of its assets including trade receivables, inventories, investments, other financial and non-financial assets, for possible impact on these consolidated financial results. The Group has also assessed the impact of this whole situation on its capital and financial resources, profitability, liquidity position, etc. On the basis of its present assessment and current indicators of future economic conditions, the Group does not anticipate any material impact on these consolidated financial results. However, the actual impact of COVID – 19 on the Group's financial results may differ from that estimated and the Group will continue to closely monitor any material changes to future economic conditions.
7	For more details on Results, visit Investor Relations section of our website at http://www.saregama.com and Financial Results under Corporates section of www.nseindia.com and www.bseindia.com.

For and on behalf of the Board of Directors of Saregama India Limited

VIKRAM MEHRA

Digitally signed by VIKRAM MEHRA
Date: 2023.01.20 15:48:22 +05'30'

Vikram Mehra
Managing Director
DIN: 03556680

Kolkata
20 January 2023

RP - Sanjiv Goenka Group

saregama

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(Rs. in Lakhs)

Statement of Standalone Financial Results for the Three Months and Nine Months Ended 31 December 2022

Sl. No.	Particulars	3 Months ended 31 December 2022 (Unaudited)	3 Months ended 30 September 2022 (Unaudited)	3 Months ended 31 December 2021 (Unaudited)	9 Months ended 31 December 2022 (Unaudited)	9 Months ended 31 December 2021 (Unaudited)	Year ended 31 March 2022 (Audited)
1	**Income**						
	(a) Revenue from operations	**18,158**	16,421	14,658	**49,365**	39,094	56,831
	(b) Other income	**1,542**	1,152	816	**3,672**	1,617	3,341
	Total Income	**19,700**	17,573	15,474	**53,037**	40,711	60,172
2	**Expenses**						
	(a) Operational cost*	**4,753**	3,536	3,198	**11,611**	7,977	14,053
	(b) Employee benefits expense	**1,878**	1,889	1,529	**5,356**	4,595	6,108
	(c) Finance costs	**135**	129	94	**402**	303	451
	(d) Depreciation and amortisation expense	**587**	446	352	**1,432**	854	1,302
	(e) Advertisement and sales promotion	**2,397**	1,721	1,483	**5,755**	4,215	6,197
	(f) Royalty expense	**1,758**	1,509	1,586	**4,520**	4,792	6,320
	(g) Other expenses	**1,079**	2,135	1,536	**5,052**	4,092	5,542
	Total Expenses	**12,587**	11,365	9,778	**34,128**	26,828	39,973
3	**Profit before exceptional items and tax (1-2)**	**7,113**	6,208	5,696	**18,909**	13,883	20,199
4	**Exceptional Items**	**-**	-	-	**-**	-	-
5	**Profit before tax (3-4)**	**7,113**	6,208	5,696	**18,909**	13,883	20,199
6	**Tax Expense**						
	(a) Current Tax	**1,650**	1,711	1,438	**4,802**	3,583	4,986
	(b) Deferred Tax (net)	**154**	(125)	10	**15**	(36)	171
	Total tax expense	**1,804**	1,586	1,448	**4,817**	3,547	5,157
7	**Profit for the period (5-6)**	**5,309**	4,622	4,248	**14,092**	10,336	15,042
8	**Other Comprehensive Income (net of taxes)**						
	(a) Items that will be reclassified to profit or loss	**-**	-	-	**-**	-	-
	(b) Items that will not be reclassified to profit or loss	**(393)**	941	(1,212)	**(445)**	4,923	3,215
	Total other comprehensive income	**(393)**	941	(1,212)	**(445)**	4,923	3,215
9	**Total comprehensive income for the period (7+8)**	**4,916**	5,563	3,036	**13,647**	15,259	18,257
10	Paid-up Equity Share Capital (Face Value of Re.1/- each) (Refer Note 2)	**1,928**	1,928	1,928	**1,928**	1,928	1,928
11	Other equity						1,35,255
12	Earnings Per Share (Face Value Re.1/- each): # (Refer Note 2)						
	(a) Basic (Rs.)	**2.76**	2.40	2.31	**7.32**	5.84	8.31
	(b) Diluted (Rs.)	**2.76**	2.40	2.30	**7.32**	5.82	8.30

*Includes media content cost, contract manufacturing charges and cost of production of films, television serials and events.
#Figures for three months and nine months are not annualised.

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saregama

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(Rs. in Lakhs)

Standalone Segment wise Revenue, Results, Assets and Liabilities for the Three Months and Nine Months Ended 31 December 2022

Sl. No.	Particulars	**3 Months ended 31 December 2022 (Unaudited)**	3 Months ended 30 September 2022 (Unaudited)	3 Months ended 31 December 2021 (Unaudited)	**9 Months ended 31 December 2022 (Unaudited)**	9 Months ended 31 December 2021 (Unaudited)	Year ended 31 March 2022 (Audited)
1	**Segment Revenue**						
	(a) Music	**15,303**	14,889	13,100	**42,812**	34,108	46,592
	(b) Films, Television serials and Events	**2,855**	1,532	1,558	**6,553**	4,986	10,239
	Total segment revenue	**18,158**	16,421	14,658	**49,365**	39,094	56,831
	Less: Inter Segment Revenue	**-**	-	-	**-**	-	-
	Total Revenue from Operations	**18,158**	16,421	14,658	**49,365**	39,094	56,831
2	**Segment Results**						
	(a) Music	**7,087**	6,830	6,013	**20,004**	15,682	21,082
	(b) Films, Television serials and Events	**233**	(122)	323	**118**	750	1,491
	Total	**7,320**	6,708	6,336	**20,122**	16,432	22,573
	Less:						
	(a) Finance costs	**135**	129	94	**402**	303	451
	(b) Other unallocable expenditure net of unallocable income	**72**	371	546	**811**	2,246	1,923
	Total Profit Before Tax	**7,113**	6,208	5,696	**18,909**	13,883	20,199
3	**Segment Assets**						
	(a) Music	**62,369**	59,671	46,729	**62,369**	46,729	49,828
	(b) Films, Television serials and Events	**16,816**	13,187	8,761	**16,816**	8,761	11,077
	(c) Unallocated	**1,10,932**	1,11,633	1,13,900	**1,10,932**	1,13,900	1,06,251
	Total Segment Assets	**1,90,117**	1,84,491	1,69,390	**1,90,117**	1,69,390	1,67,156
4	**Segment Liabilities**						
	(a) Music	**29,169**	30,432	19,846	**29,169**	19,846	19,978
	(b) Films, Television serials and Events	**3,837**	1,944	2,361	**3,837**	2,361	2,757
	(c) Unallocated	**7,377**	6,911	7,360	**7,377**	7,360	7,238
	Total Segment Liabilities	**40,383**	39,287	29,567	**40,383**	29,567	29,973

NOTES:

1 The aforementioned results for the three months and nine months ended 31 December 2022 have been reviewed and recommended by the Audit Committee in their meeting held on 20 January 2023 and approved by the Board of Directors of the Company at their meeting held on even date. These results have been subjected to limited review by the Statutory Auditors of the Company who have issued an unmodified review report on the standalone financial results for the three months and nine months ended 31 December 2022.

2 Pursuant to the Special Resolution passed by the Shareholders of the Company by way of Postal Ballot through electronic means on 31 March 2022, the Company has sub-divided its equity share of face value of Rs.10/- (Rs. Ten only) each fully paid up, into 10 (Ten) equity shares of face value Re.1/- (Rupee One only) each fully paid-up, effective from 28 April 2022. Hence, shares have now been adjusted on account of sub-division of share done by the Company. This has also been considered for calculating weighted average number of equity shares for all periods presented, as per Ind AS 33- Earnings Per Share.

3 Out of the 53,38,628 equity shares of Rs.10/- each issued for cash at a premium of Rs.35/- (issue price - Rs.45/-) pursuant to the Rights Issue in 2005, allotment of 5,290 equity shares of face value Rs.10/- each (relating to cases under litigation / pending clearance from concerned authorities) were in abeyance till 31 December 2022. These shares have now been adjusted on account of sub-division of share done by Company as explained in note 2 above.

4 In order to lay specific focus on the e-commerce distribution business of the Company alongwith identified non-core assets (including investment(s) in publication business) and other activities and/ or arrangements incidental or relating thereto, the Board of the Directors of the Company at its meeting held on 30 March 2022 approved, subject to necessary approvals, Scheme of Arrangement between the Company and Digidrive Distributors Limited, a wholly owned subsidiary ("Resulting Company") and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Act") ("Scheme") which inter alia provides for the demerger, transfer and vesting of the Demerged Undertaking (as defined in the Scheme) from the Company into the Resulting Company, on a going concern basis. The appointed date being 1 April 2022. Upon implementation of the Scheme, each shareholder of the Company would be entitled to fully paid shares of the respective companies in the ratio set out in the Scheme. Necessary accounting effect of the Scheme will be given in due course, upon receipt of the requisite approvals.

5 Based on the guiding principles given in Ind AS 108 on "Operating Segments", the Company's business activity falls within two operating segments, namely:
(a) Music
(b) Films, Television serials and Events

Segment Revenue, Results, Assets and Liabilities represent amounts identifiable to each of the segments. Other "unallocable expenditure net of unallocable income" mainly includes interest income, expenses on common services not directly identifiable to individual segments and corporate expenses.
Segment Assets and Segment Liabilities are as at 31 December 2022, 30 September 2022, 31 December 2021 and 31 March 2022. Unallocable corporate assets less unallocable corporate liabilities mainly represent investment of surplus funds and cash and bank balances.

6 The Board of Directors in their meeting held on 20 January 2023 has declared an interim dividend for the financial year 2022-23 of Rs. 3/- per share (300% on the face value of Re.1/- each).

7 In view of pandemic relating to COVID – 19, the Company has considered internal and external information available up to the date of approval of these standalone financial results and has performed analysis in assessing the recoverability of its assets including trade receivables, inventories, investments, other financial and non-financial assets, for possible impact on these standalone financial results. The Company has also assessed the impact of this whole situation on its capital and financial resources, profitability, liquidity position, etc. On the basis of its present assessment and current indicators of future economic conditions, the Company does not anticipate any material impact on these standalone financial results. However, the actual impact of COVID – 19 on the Company's financial results may differ from that estimated and the Company will continue to closely monitor any material changes to future economic conditions.

8 For more details on Results, visit Investor Relations section of our website at http://www.saregama.com and Financial Results under Corporates section of www.nseindia.com and www.bseindia.com.

For and on behalf of the Board of Directors of Saregama India Limited

VIKRAM MEHRA Digitally signed by VIKRAM MEHRA Date: 2023.01.20 15:49:32 +05'30'

Vikram Mehra
Managing Director
DIN: 03556680

Kolkata
20 January 2023

Q3 FY23 YOY Growth: Revenue by 23% PAT by 20%

Building IP for Tomorrow

Mumbai, January 23, 2023: Saregama, a RPSG Group company, on January 20, 2023, announced its financial results for the Quarter and Nine Months Ended December 31, 2022.

The Company's Operating Revenue for the quarter grew 23% to reach Rs.1,855 Mn in Q3FY23 from Rs.1503 Mn in Q3FY22.

Company's Operating Income before Content Charge, Interest and Depreciation (OIBCID) rose 17% to Rs.735 Mn in Q3 FY23 from Rs.629 Mn in corresponding quarter last year.

On YTD 9 months ended FY23, Company's Revenue from Operations has grown by 36% while PAT by 34% compared to 9 months ended FY22.

The Board has declared an interim dividend of Rs.3 /- per share (300 % on the face Value of Re.1 each).

During this quarter, Company launched film music of Vishwak Sen's **Ori Devuda**, Adivi Sesh's **Hit 2** etc. in Telugu; Vishnu Vishal's **Gatta Kusthi,** Kovai Sarala's **Sembi** etc. in Tamil; Amala Paul's **The Teacher**, Aishwarya Lekshmi's **Kumari** etc. in Malayalam; Ammy Virk's film **Oye Makhna** in Punjabi and Mithun Chakraborty's film **Projapati** in Bengali. Company released Sanjay Leela Bhansali's first-ever original music album **"Sukoon"** also released multiple 'Originals' songs sung by Shreya Ghoshal, Stebin Ben, Khesari Lal, Satinder Sartaaj etc. Overall, Company released 301 films and non-films songs across Hindi, Bhojpuri, Gujarati, Punjabi, Tamil, Telugu, Malayalam, Marathi and Bengali languages. The other highlight of the quarter was the use of our songs for the Rohit Shetty's film Cirkus, Maddock Film Bhediya, Reliance Entertainment Film Thai Massage etc. and for digital content like Monica, o my darling on Netflix, Biryani by kilo on Disney+ Hotstar and by brands like Ola Electric, Hyundai, Tata Play, Uber etc. in their ad films.

Carvaan continued to regain its momentum. The unit sales grew by 20% YoY, with Carvaan Mobile volumes building up. Overall, Company sold 168k units in Q3 compared to 141k same quarter last year.

Company released two new Malayalam films **Kaapa** starring Prithviraj Sukumaran and **Padavettu** starring Nivin Pauly and one Punjabi film **Oye Makhna** starring Ammy Virk**.**

Company's TV serials **Anbe Vaa**, **Ilakkiya** and **Iniya** were the **Slot Leaders** in their respective time slots with **"Ilakkiya"** rated the No. 1 TV serial in afternoon slot across all Tamil Channels.

"Saregama's Live" with India's biggest live Performance star **Diljit Dosanjh**, continued its overseas success in India as well. Two concerts were held in Mumbai and Jaipur in Q3FY23.

Avarna Jain, Vice Chairperson Saregama India, said "The consistent growth delivered by the company demonstrates that our strategy is progressing in line with our vision, accentuating the strength and resilience of our business and our commitment to enhance value for all stake holders alike. The various partnerships that we have built, continue to drive our strong performance across different business segments".

Vikram Mehra, MD Saregama India, said "The company continues to grow its diverse range of business and provide business and creative opportunities to the community in the entertainment sector. Leveraging on data analytics, distribution, and understanding of the evolution of the market, we are consistently improving the monetization of content, generating sustainable revenue from different sources".

About Saregama India Limited:

Saregama India Limited, formerly known as The Gramophone Company of India Ltd is a RPSG group company owning the largest music archives in India and one of the biggest in the world. The ownership of nearly 50 per cent of all the music ever recorded in India also makes Saregama the most authoritative repository of the country's musical heritage. Saregama has also expanded into other branches of entertainment - film & series production, live events, and music-based consumer products.

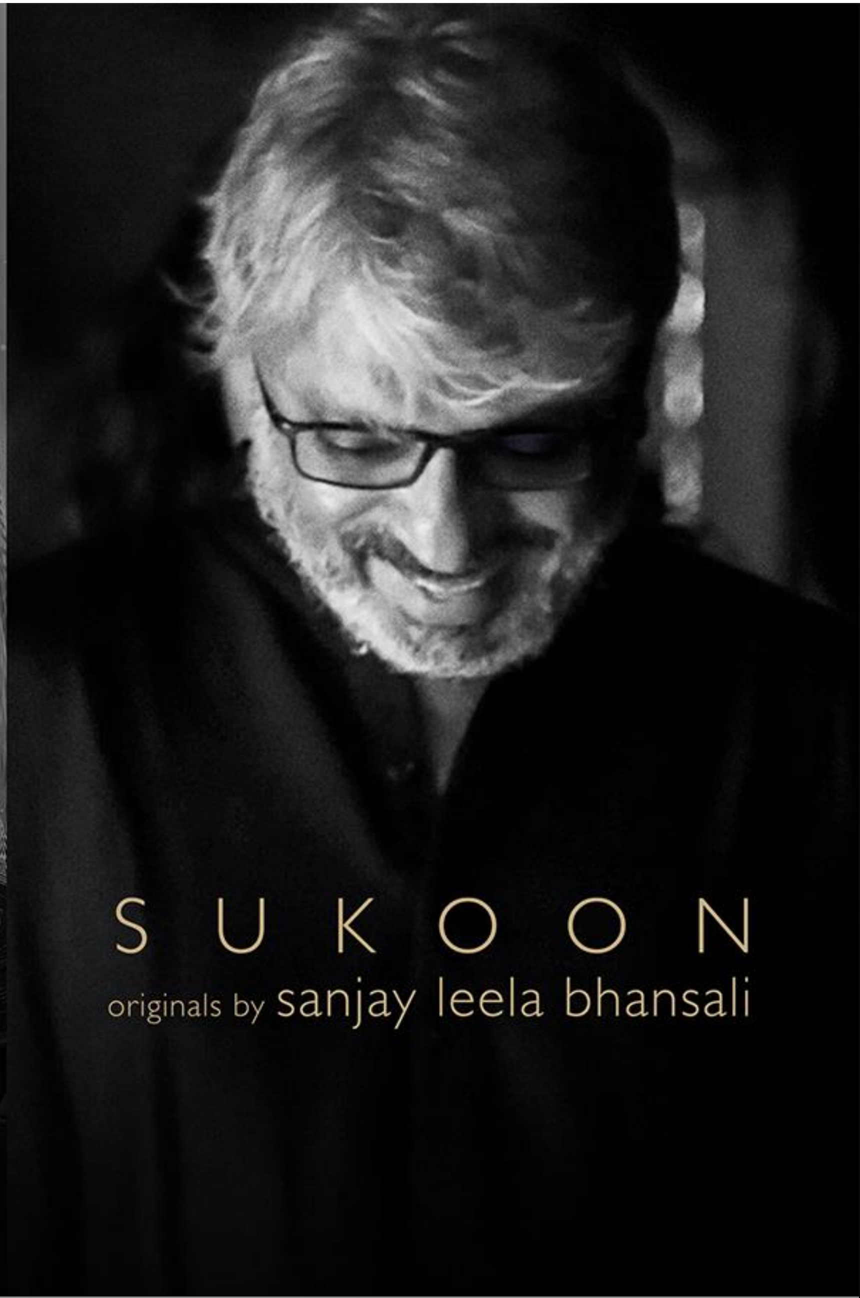
About RPSG Group:

RP-Sanjiv Goenka Group is one of India's fastest growing conglomerates with a significant global presence. The Group's businesses include power and energy, carbon black manufacturing, retail, IT-enables services, FMCG, media and entertainment and agriculture.

For further information, please contact:
Honey Sheth | honey.sheth@mslgroup.com |9870097011
Nehal Palod | nehal.palod@mslgroup.com | 9329983701


FEFKA WRITERS UNION PRESENTS
IN ASSOCIATION WITH
THEATRE OF DREAMS
A YOODLEE FILM
KAAPA
LAW... NOT JUSTICE...


SAREGAMA LIVE
BORN TO SHINE
WORLD TOUR
DILJIT DOSANJH


SUKOON
originals by sanjay leela bhansali

SAREGAMA STRENGTHS

- India’s only entertainment company with IP offerings across media channels (music, films, web series and TV serials), delivery platforms (physical and digital) and business models (licensing and retail)
- Large intellectual property portfolio of 142K+ songs, 68 films, 6K+ hours of television content
- Strong licensing relationships with streaming applications and platforms for music and video
- Increasing IP library with a growing presence in all leading Indian languages
- Investments and Capabilities in Data Analytics and Technology for content acquisition and IP protection
- Strong financial position with track record of revenue growth, margin expansion and cash flow generation
- Experienced and creative leadership through Management Team and Promoter Group

STRATEGIC OVERVIEW

Digitisation Driving Growth

Digital Boom in India

~750M smart phones
Cheap Data
 # stay-at-home

driving

Increase in App Usage

Video/Music Streaming
Netflix, Spotify, Saavn, Amazon, etc.
Social Media
YouTube, Facebook, etc.
Video Sharing
Instagram, YT Shorts, Tik Tok etc.

driving

Increase in Demand for Content

Music
Films
Web Series
TV Series
Podcasts

142k+ Songs | 68 Movies | 6k+ hrs of TV Series | Advantage Saregama

STRATEGIC OVERVIEW

To be a ***Pure Play Content Company*** capitalising on the global content consumption boom driven by the ever-increasing ***Digitisation***

Monetisation of Existing IP

- Through licensing to EVERY 3rd party Digital (music, video, social) and TV platform.
- Carvaan transitioning from being a Product with only one-time margin to a Platform with upfront margin and recurring advertising and subscription revenue.

Building of New IP

- Cementing leadership position with New film and non-film music acquisition across Hindi, Tamil, Telugu, Bhojpuri, Gujarati, Punjabi, Malayalam, Bengali and other regional languages.
- Producing Theatrical Films in only Regional languages and Web Series in all languages. Revenue secured through pre-licensing to digital platforms. Scale allowing lower cost of production.

IP Creation ambition over next 3-5 years

- **Market Leadership** In Music Segment
- **60** New Films and Web Series Episodes
- **1200 - 1500 hrs** of new TV serials content

SAREGAMA WANTS TO TAKE MARKET LEADERSHIP POSITION IN INDIAN MUSIC

Disproportionate share of New Content across Hindi & Regional Languages

+

Acquisition of Small & Mid size Music Catalogues to plug in the Content Gaps of last 25 years

+

Artiste Management

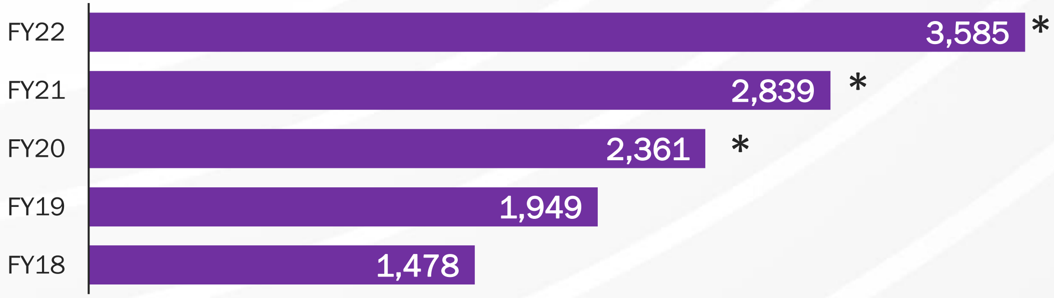
Live Events

Catalogue Strength

SAREGAMA MUSIC IP

Fast Growing
Licensing Revenue

Licensing Revenue (INR Mn)

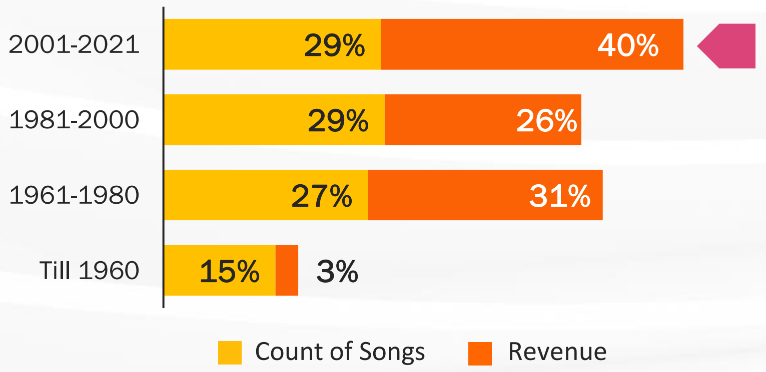


* One time income of INR 97 Mn (FY22), 155 Mn (FY21) and INR 21 Mn (FY20) are excluded

On account of

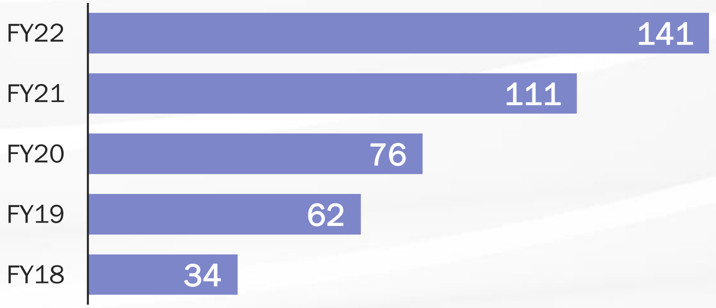
A. Saregama's Focus on New Music

Share of Saregama's Songs by Decades



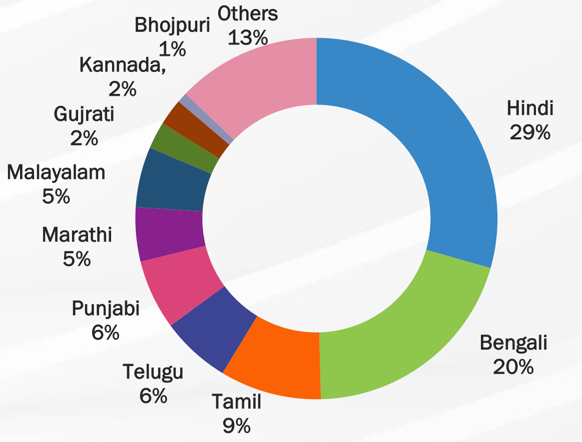
B. Growing customer interest in Retro Music

Catalogue Usage across OTT/YouTube/ TV Channels/Radio etc (Bn)



C. Presence across all Indian Languages

Share of Saregama's Songs by language



A typical movie has 5 songs. Assuming a music label acquires 1000 movies in a year, it will get 5k songs. By comparison, Saregama owns 142k songs, each digitised with rich metadata behind it, giving it a big competitive advantage

OUR LICENSING PARTNERS

Streaming Partners
Music

Broadcasting Partners
Music + Films & Series

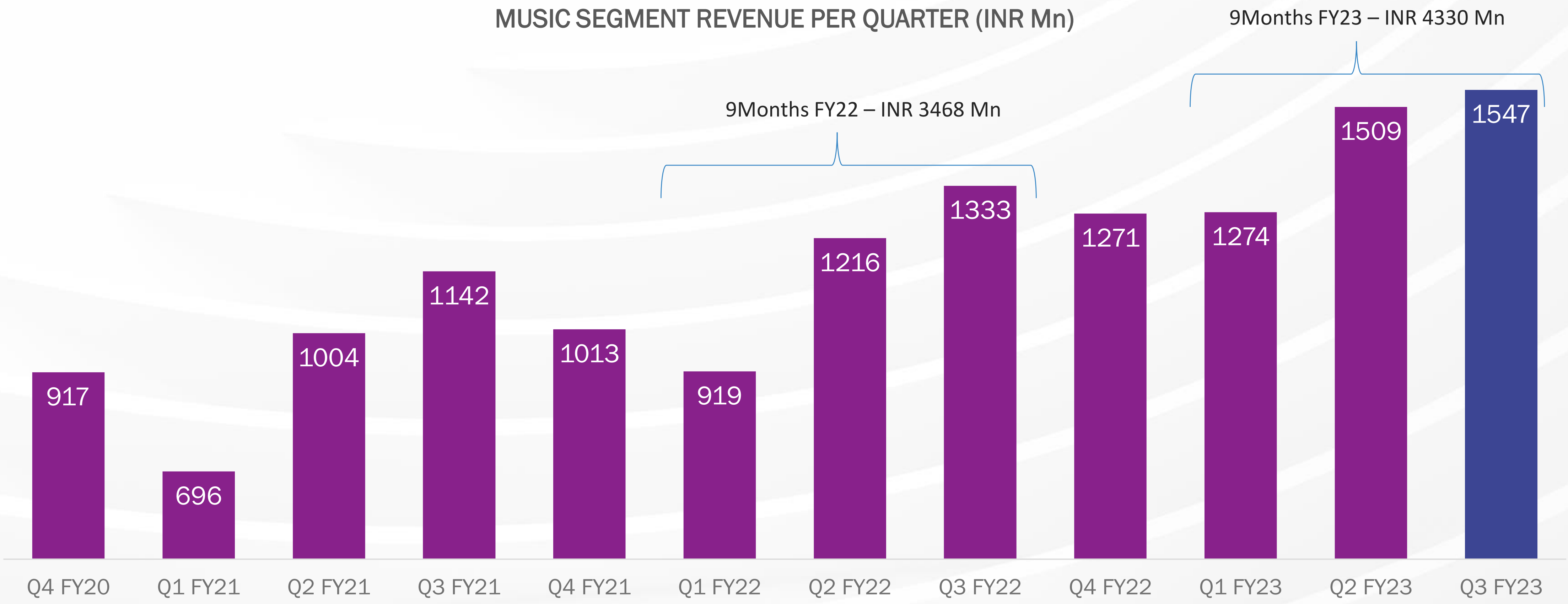
Video Streaming Partners
Music + Films & Series

Social Media Platforms
Music + Films & Series

Brands
Music

OPERATIONAL HIGHLIGHTS

MUSIC SEGMENT POSTED HIGHEST EVER QUARTERLY REVENUE



Revenue grew 25% Y-o-Y to reach INR 4,330 Mn in 9Months FY23

MUSIC SEGMENT LICENSING : MONETISATION

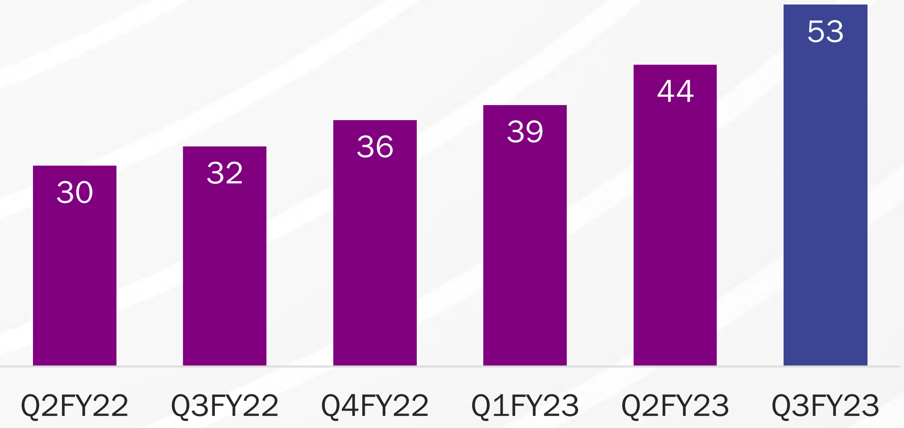
- **Brand Licenses:**
  Ola Electric, Hyundai, WhatsApp, Uber, Tata Play etc.
  Color Bar, Global Desi, Spencer, Xiaomi, P.C.Chandra product integrations in New Songs

- **Digital Content Licenses:**
  Monica, O My Darling (Netflix), Biryani BY Kilo (Hotstar), Journey of India (Discovery), etc.

- **Film Sync Licenses:**
  Licensed 10 songs for the Rohit Shetty film **"Cirkus"**; 1 song deal with Maddock Film **"Bhediya"**; 1 song deal with Reliance Entertainment Film **"Thai Massage"**; 1 song deal with Tamil Film **" Vikram"** etc.

- Signed Licencing deal with **"Dangal TV"** & its channels

YOUTUBE VIEWS (Bn) PER QUARTER



Includes all views related Saregama IP across it's owned channels and user generated content on YouTube and YouTube Shorts

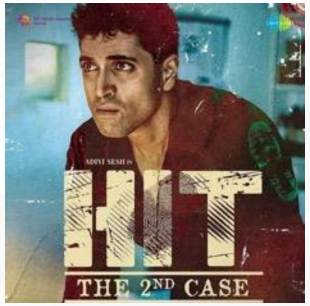
MUSIC SEGMENT : CONTENT CREATION

Film Albums released in Q3

TELUGU

Vishwak Sen

Madhoo



Adivi Sesh &
Meenakshi Chaudhary

Alipiriki Allantha Dooramlo

Santosh Shoban

Vishnu Manchu

TAMIL

Aishwarya Lekshmi &
Vishnu Vishal

Dhanush

Jiiva

MALAYALAM

Aishwarya Lekshmi

Swasika

Amala Paul

Unni Mukundan

Shaan Rahman

Suraj Venjaramoodu

BENGALI

Mithun Chakraborty

PUNJABI

Ammy Virk

Diljit Dosanjh

MUSIC SEGMENT : CONTENT CREATION

158 Non-Film Songs released in Q3

HINDI

Shreya Ghoshal

Divya Agarwal

Stebin Ben

BHOJPURI

Khesari Lal

Neelkamal Singh

Khesari Lal

GUJARATI

Kajal Maheriya

Rakesh Barot

Rakesh Barot

PUNJABI

Satinder Sartaaj

Asees Kaur

Satinder Sartaaj

BENGALI

Ankita Bhattacharya

Bappa Mazumder

KDiva

DEVOTIONAL

Gajendra Pratap Singh

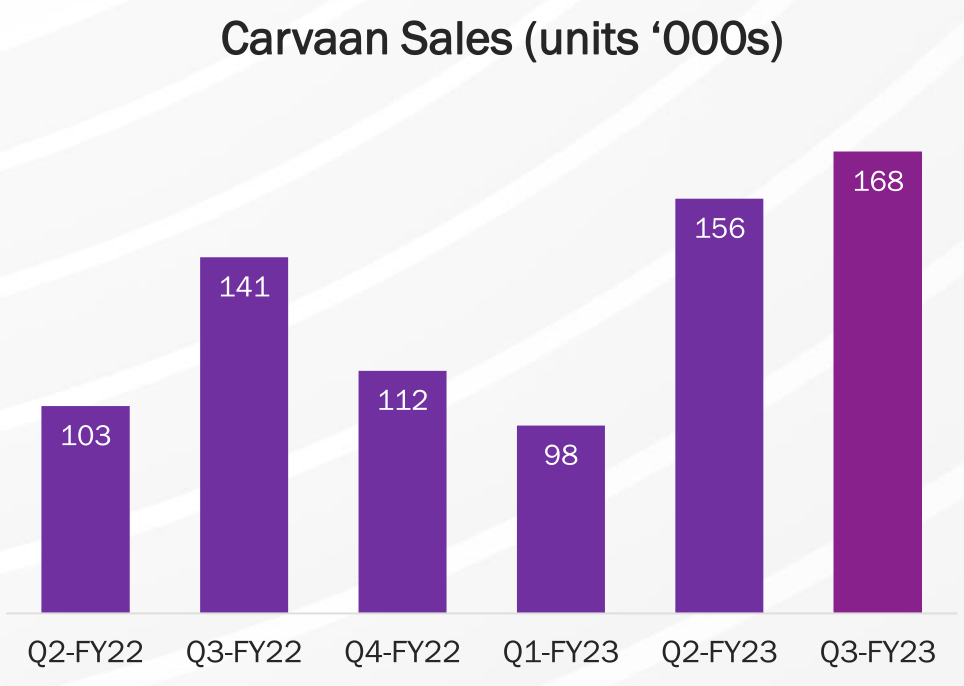
Abhilipsa panda

Charanjeet Singh Sondhi

MUSIC SEGMENT : RETAIL

Retail:

- Momentum building back. Unit Sales grows by 20% Y-o-Y
- Carvaan Mobile volumes building up
- Festival sales spread between Q2 and Q3
- Margin % similar on all Carvaan variants : base model, Mini, Mobile, Music Bar

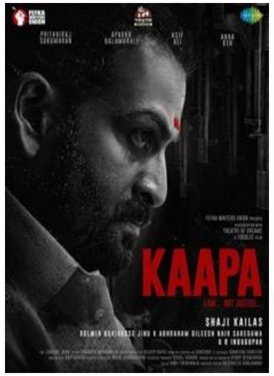


Future Outlook

- Reliance on Natural Pull from the market
- Tight cost controls to continue

FILMS, WEB SERIES & TV SEGMENT

Films and Web Series



- Two Malayalam Films "**Kaapa**" starring Prithviraj Sukumaran and "**Padavettu**" starring Nivin Pauly released during Q3FY23.
- First Punjabi film **"Oye Makhana"** starring Ammy Virk released in Q3FY23

Future Outlook

- Next action pack Malayalam film **"Kasargold"** starring **Asif Ali** expected to release in Q4FY23.

TV Segment

- Company started its new TV serial **"Iniya"** on Sun TV from 05th Dec'22 . This replaces "ROJA" which had a run over 1300 Episodes.
- **"Ilakkiya"** rated the No. 1 TV serial in afternoon slot across all Tamil Channels.
- All serials Anbe Vaa, Ilakkiya and Iniya were the **Slot Leaders** in their respective time slots.
- Saregama TV Shows YouTube channel garnered 429 Mn views (grew 26% Q-o-Q) in Q3FY23

Future Outlook

- Unlocking the value of existing IP through language remakes, new platform licensing and syndication

NEW INITIATIVES

Live Music Events

- ➢ "Saregama's Live" with India's biggest live Performance star **Diljit Dosanjh,** continued its overseas success in India as well.
- 2 concerts were held in Mumbai and Jaipur in Q3FY23
- ➢ Saregama Live's stage adaptation of Bollywood's **iconic film – Disco Dancer premiered in London.** 6 Live Shows were held during Q3FY23

FINANCIAL HIGHLIGHTS

CONSOLIDATED

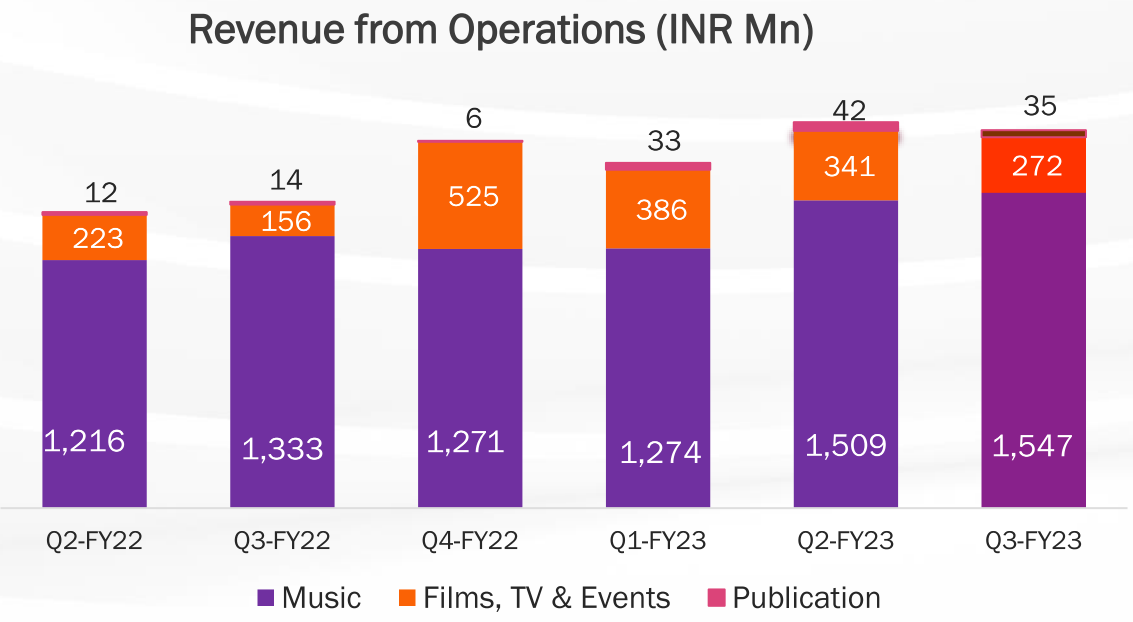
QUARTERLY FINANCIAL SUMMARY

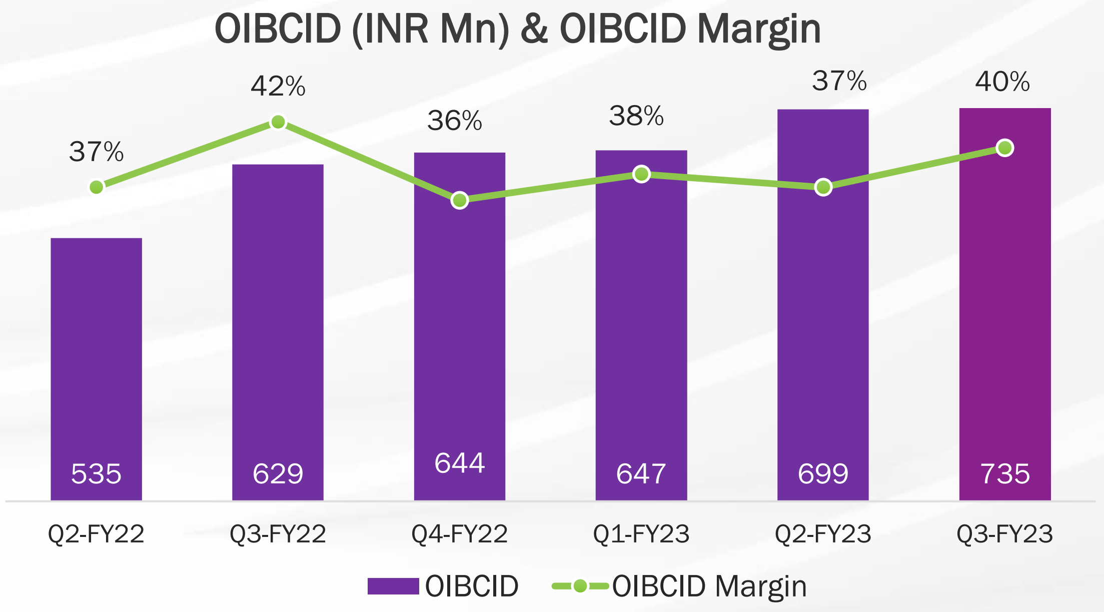
Particulars (INR Mn)	Q3 FY23	Q2 FY23	Q-o-Q Growth	Q3 FY22	Y-o-Y Growth
Revenue from Operations					
• Music	1,547	1,509	3%	1,333	16%
• Films, Television serials and Events	272	341	(20)%	156	74%
• Publication	35	42	(17)%	14	150%
Revenue from Operations	1,854	1,892	(2)%	1,503	23%
Operating Income before Content Charge, Interest and Depreciation (OIBCID)	735	699	5%	629	17%

Content Charge include the following charges related to the new content during the year:

1) Amount amortised in case of Royalty based deals 2) Amount amortised against the one-time fee paid in case of Outright purchase-based deals 3) Marketing of new content

4) Content charge does not include any royalty paid post recoupment of the Minimum Guarantee amount.





OIBCID to PAT

Particulars (INR Mn)	Q3 FY23	Q2 FY23	Q-o-Q Growth	Q3 FY22	Y-o-Y Growth	9 Months Ended FY 23	9ME FY23 without impact of Change in Useful Life	9 Months Ended FY22	Y-o-Y Growth
Revenue from Operations (A)	**1,854**	1,892	(2)%	1,503	23%	**5,439**	5,439	4,004	36%
Total Expenses (B)	**1,119**	1,193	(6)%	874	28%	**3,358**	3,358	2,419	39%
OIBCID (C= A-B)	**735**	699	5%	629	17%	**2,081**	2,081	1,585	31%
OIBCID Margin (%)	***40%***	*37%*		*42%*		***38%***	*38%*	*40%*	
Content Charging Cost (D)	**159**	171	(7)%	115	38%	**498**	577	297	68%
Depreciation (E)	**10**	7	43%	6	67%	**24**	24	18	33%
Finance Cost (F)	**14**	13	8%	9	56%	**41**	41	30	37%
Other Income (G)	**152**	113	35%	81	88%	**364**	364	161	126%
PBT (C-D-E-F+G)	**704**	621	13%	580	21%	**1,882**	1,803	1,401	34%
Tax	**181**	160	13%	144	26%	**484**	464	354	36%
PAT	**523**	461	13%	436	20%	**1,398**	1,339	1,047	34%
PAT Margin (%)	***28%***	*24%*		*29%*		***26%***	*25%*	*26%*	
Diluted EPS (Face Value Re.1)	**2.71**	2.39		2.35		**7.26**		5.88	

- The management has reviewed the useful life of Music rights with help of benchmarking study done by EY on accounting practices of leading global music labels
- Given the increased consumption of content along with outlook for the music market, resultant useful life of the newly acquired music rights is longer than the previously estimated life.
- Starting 1st April 2022, the content cost of music rights is being amortized basis the increased useful life of 10 years
- As a result of the above revision, the content cost for 9ME FY23 is lower by INR 79Mn as compared to the charge based on previous estimates, leading to incremental PAT of INR59Mn.

BALANCE SHEET

Equity and Liabilities (INR Mn)	As at 31st Dec' 2022	As at 31st Mar' 2022
Shareholder's fund		
(a) Equity share capital	193	193
(b) Other equity	14,847	13,584
Net worth	15,040	13,777
(a) Non-controlling interest	36	32
Non-current liabilities		
(a) Financial liabilities		
(i) Lease liabilities	4	7
(b) Employee benefit obligations	44	42
(c) Deferred tax liabilities (net)	560	562
Current liabilities		
(a) Financial liabilities		
(i) Lease liabilities	10	6
(ii) Trade payables	648	645
(iii) Other financial liabilities	581	431
(b) Other current liabilities	1,442	466
(c) Provisions	862	902
(d) Employee benefit obligations	8	8
(e) Current tax liabilities	-	1
Total	19,235	16,879

Assets (INR Mn)	As at 31st Dec' 2022	As at 31st Mar' 2022
Non-current assets		
(a) Property, plant and equipment	2,163	2,141
(b) Right-of-use assets	13	13
(c) Investment properties	22	22
(d) Intangible assets	1,023	602
(e) Intangible assets under development	26	17
(f) Financial assets		
(i) Investments	1,404	1,453
(ii) Other financial assets	527	20
(g) Other non-current assets	606	292
Current assets		
(a) Inventories	1,714	1,054
(b) Financial assets		
(i) Investments	2,874	5,308
(ii) Trade receivables	1,306	1,078
(iii) Cash and cash equivalents	1,792	1,527
(iv) Bank balances other than (iii) above	3,955	1,710
(v) Loans	263	228
(vi) Other financial assets	201	79
(c) Current tax assets (net)	164	257
(d) Other current assets	1,182	1,078
Total	19,235	16,879

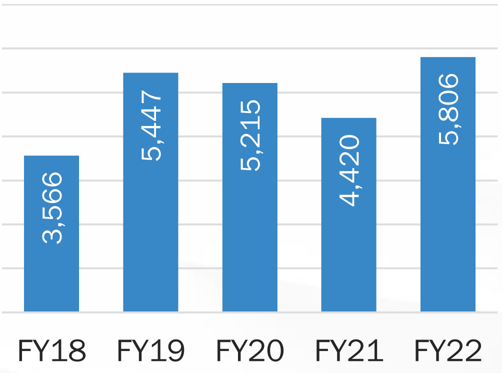
CASH FLOW STATEMENT

Particulars (INR Mn)	9 Months Ended FY23		FY 22	
Pre-Tax Profit	1,882		2,044	
Change in other operating activities (including non-cash Items)	(116)		(139)	
Change in Working capital	(13)		(389)	
Taxes Paid	(387)		(572)	
Net cash generated from Operating Activities (A)		1,366		944
Investment in Fixed Deposits with maturity > 3m	(2,753)		(718)	
Redemption/(Investment) in Mutual Fund	2,593		(4,995)	
Net cash used in Fixed assets and other Investing activities	(836)		(590)	
Net cash used in Investing Activities (B)		(996)		(6,303)
Net cash (used in)/generated from Treasury Shares	(116)		33	
Proceeds from Issue of Share Capital #	-		7,332	
Repayment of Lease Liability	(8)		(4)	
Dividend paid	-		(577)	
Interest paid	(2)		(11)	
Net cash (used in)/generated from Financing Activities (C)		(126)		6,773
Net (decrease)/increase in Cash and Cash Equivalent		244		1,414
Cash and Cash Equivalents at the beginning of the period		1,527		111
Effect of Translation of foreign currency cash and cash equivalents		21		2
Cash and Cash Equivalents at End of the period		1,792		1,527

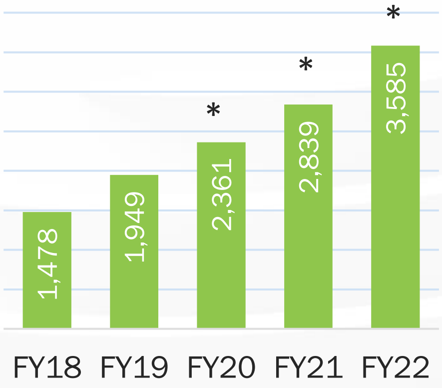
Net of Issue expense of INR 168 Mn

FINANCIAL CHARTS (CONSOLIDATED)

Revenue from Operations (Turnover) (INR Mn)

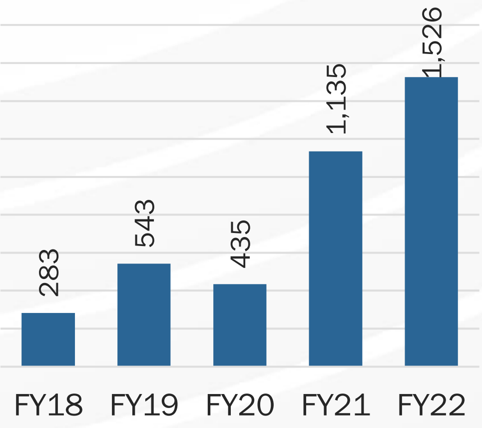


Music Licensing Revenue (INR Mn)

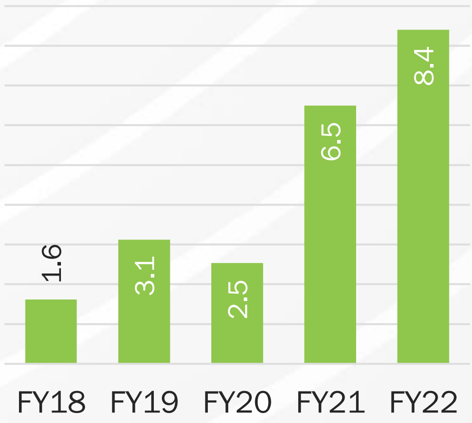


* One time income of IINR 97 Mn (FY22), INR 155 Mn (FY21) and INR 21 Mn (FY20) are excluded

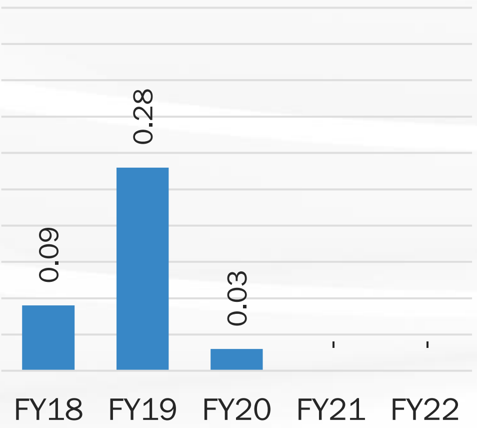
PAT (INR Mn)



Diluted EPS (INR)

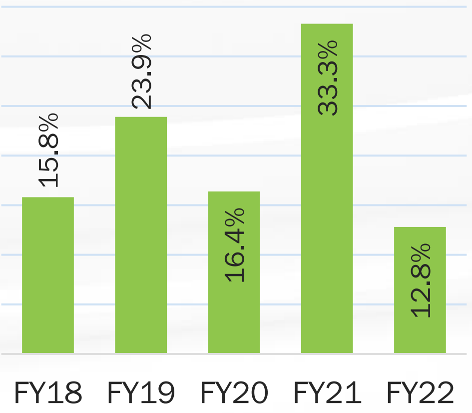


Debt to Equity Ratio

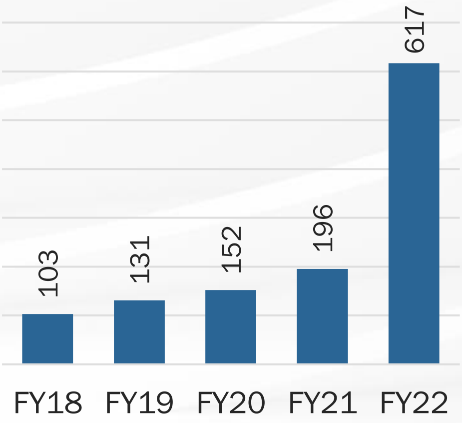


* Debt is Nil as on 31st Mar'22 and 31st March'21.

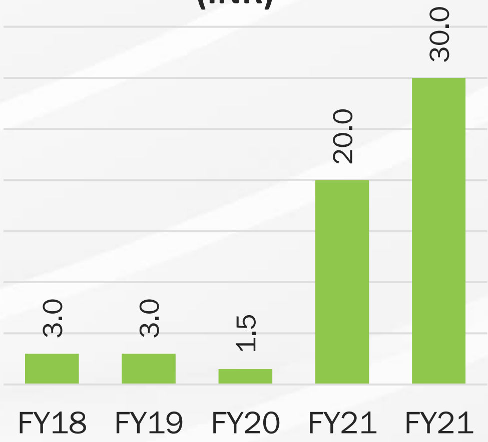
Return on Equity (ROE) (%)*



Book Value Per Share (INR)



Dividend per Share (INR)



* ROE = PAT / Shareholders Equity

* Shareholders Equity = Equity share capital and free reserves

The decrease in ROE for FY22 is on account of fresh fund raise through QIP of Rs.7500 MN

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Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, financial condition, performance or achievements of the Company or industry results to differ materially from the results, financial condition, performance or achievements expressed or implied by such forward-looking statements, including future changes or developments in the Company's business, its competitive environment and political, economic, legal and social conditions. Further, past performance is not necessarily indicative of future results. Given these risks, uncertainties and other factors, viewers of this presentation are cautioned not to place undue reliance on these forward-looking statements. The Company disclaims any obligation to update these forward-looking statements to reflect future events or developments.

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"Saregama India Limited

Q3 FY '23 Earnings Conference Call"

January 24, 2023

MANAGEMENT:	**MR. VIKRAM MEHRA – MANAGING DIRECTOR – SAREGAMA INDIA LIMITED** **MR. PANKAJ CHATURVEDI – CHIEF FINANCIAL OFFICER – SAREGAMA INDIA LIMITED** **MR. BL CHANDAK – EXECUTIVE DIRECTOR – SAREGAMA INDIA LIMITED** **MR. SAKET SHAH – HEAD OF INVESTOR RELATIONS – SAREGAMA INDIA LIMITED** **MR. PANKAJ KEDIA – VICE PRESIDENT, INVESTOR RELATIONS – SAREGAMA INDIA LIMITED**
MODERATOR:	**MR. BHUPENDRA TIWARY – ICICI SECURITIES**

Moderator: Ladies and gentlemen, good day, and welcome to Saregama India Q3 FY '23 Earnings Conference Call hosted by ICICI Securities. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star and then zero on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Bhupendra Tiwary from ICICI Securities. Thank you and over to you, sir.

Bhupendra Tiwary: Good afternoon, everybody. On behalf of ICICI Securities, we welcome you to Q3 FY '23 Results Conference Call of Saregama India Limited. So from the management, we have Mr. Vikram Mehra:, who is Managing Director; Mr. Pankaj Chaturvedi, who's the CFO; Mr. BL Chandak, who's Executive Director; Mr. Saket Shah, Head, Investor Relations; and Mr. Pankaj Kedia, who's Vice President, Investor Relations. So without much ado, I'll just hand over the mic to Vikram. Over to you, Vikram.

Vikram Mehra: Hi. Good evening, everyone. Quarter 3 saw operating revenues of INR 185 crores and PAT of INR 2 crores. That is a year-on-year growth of 23% in our revenue and 20% in PAT. So it's been a pretty good quarter. We would once again reiterate and request you to please look at our business always on an annual basis and never evaluate it on a quarterly basis. People often wonder why there should be a seasonality in music - actually, there is. The part of the music business, which is dependent on advertising revenue like YouTube - that fluctuates. Carvaan sales, which are dependent on the festival season too fluctuate over the year.

Also, our policy of recognizing overflows from agreements which have a minimum guaranteed base is such that the overflows are recognized only in the quarter when the money is received by us. So, there is fluctuation that keeps on happening from quarter-to-quarter. Hence, please look at the number always on an annual basis and not on a quarter-to-quarter basis.

If I look at our numbers on a 9-month basis and both our revenue and PAT has grown by 36% and34% respectively. This is in continuation to the last year's growth numbers of 31% in operating revenues and 35% in PAT. There's a reason I'm stating and quoting the last year numbers. This is to give you the confidence that the growth that you are seeing is not something which has been happening for only a couple of quarters.

We now have been showing growth on revenue and bottom line for over 16 quarters now on a consistent fashion quarter after quarter. Whether it was during the time of COVID, post COVID, our growth story is continuing. And remember, we have just touched the tip of the iceberg. 750 million people have a smartphone, while only 200 million people are actually using any of the streaming services yet. There are a lot of new customers who will be coming in and consumption per customer is also expected to go up. On an average, people listen to 67 songs in a month. We believe in all developed countries; this number is closer to 120 songs per month. You will see that kind of growth happening in India, too., This means the Saregama growth story in the medium to long term is going to remain stable. Also, ours is a diversified business model, which ensures that there's not too much dependence on any one source of revenue, be it subscription or advertising or license fee or physical. We are quite diversified in that sense and will ensure that we'll be able to maintain our profitability as well.

The music business, which is a combination of both licensing and Carvaan saw its highest quarterly revenue at INR 154 crores. On a 9-month basis, Music segment grew by 25% year-on-year to achieve a INR 433 crores revenue. As mentioned, both licensing and Carvaan contributed to this growth.

Let me first start with licensing, which continues its growth number of over 20% year-on-year. This will be the fourth or the fifth year that we have been growing at this rate. We released multiple film songs across Telugu, Tamil, Malayalam, Bengali, Punjabi and Hindi Languages. We also released Sanjay Leela Bhansali's first non-film music album Sukoon. Punjabi saw 2 successful non-film songs from Satinder Sartaaj. Bhojpuri language saw 4 massive hits on the non-film side from its number one artist Khesari Lal Yadav. Collectively, they crossed 15 crores view on Saregama's official Bhojpuri YouTube channel in one quarter.

If we see over the last 9 months, we have taken a new content charge, which is inclusive of marketing of INR 50 crores. Just for reference, the same number was INR 30 crores a year back. The strategy of investing in new content is clearly paying off. It's not only allowing us to grow our new content market share but is also giving us huge impetus to our catalog.

Last financial year, we raised INR 750 crores with an explicit mandate to invest this money in new music content, and we are on track. I want to again assure you this money that was raised will be used only and only for music. All the other investments that we are doing – are from our internal accruals. Often asked question is how do we go about picking up new content? I think our biggest edge is the investment that we have done on data mining and building predictive models to decide what content to invest in.

And also, our longer-term deals, which have happened on the marketing side, is giving enough confidence to our partners that we can market content like nobody else -which is pushing them to work more and more with us. Movie music acquisition deals have been locked across Hindi, Telugu, Tamil and Malayalam languages. You will see some of the movies have been delayed. You will see a lot of them coming hopefully between March to June timeframe this year.

This includes the highly anticipated next directorial movie of Karan Johar called Rocky Aur Rani Ki Prem Kahani. There is another Dharma Production called Rola, starring Vicky Kaushal and Ammy Virk. There's one more Vicky Kaushal and Sara Ali movie called Zara Hatke Zara Bachke. There is a Vijay Deverakonda and Samantha film called Kushi. There are 2 Suriya films in Tamil. There's also a Mammootty and a Prithviraj Sukumaran film in Malayalam. These are some of the big titles that I can think of. Their music has already been acquired by Saregama.

We will continue investing across all Indian languages, both on the film and non-film side. We have already achieved leadership position across a few of the languages, and we are at number two in some of the other languages. We expect to be at number one position in the next 12-18 months across all major languages in India.

Carvaan numbers maintained the growth trajectory. They touched 168K compared to 141K last year. Remember, this year, the festival sale was divided between quarter 2 and quarter 3 because of the timing of Diwali. This is unlike last year where the entire festival sales boost came in quarter 3. That's why you see the growth numbers between quarter 2 and quarter 3 are different this year compared to last year. This is because a lot of festival sale had been booked in quarter 2 already. If I combine both the quarters, that is quarter 2 and quarter 3, we have sold 324,000 units of Carvaan. And all these numbers are coming only out of customer pull. There is no advertising backing Carvaan now for over three years.

The latest variant of Carvaan, Carvaan Mobile has given us a lower price point, which is helping us penetrate smaller markets. The con of this is that the average realization of our sold Carvaan unit has come down Although, the upside of penetrating smaller markets far outweighs the cons. This means that though the unit sales have gone up substantially compared to last year, the revenue numbers would not have grown., But it is still a healthy growth compared to last year. There is no marketing push, which is planned for Carvaan even in Q4.

Film, Series and Events vertical touched around INR 100 crores in the first 9 months. It is a matter of great pride for us. It literally means that the revenue has doubled compared to the INR 50 crores revenue that we wrote in the first 9 months of the last financial year. And most of it is coming on the back of the new vertical that we have created called Live Events. Overall, Film, Series and Events now constitute 15% of the company revenues.

One of the big advantages of this vertical is giving us a huge edge in music acquisition.This is because of the fact that we can now give breaks to people on live events also means that artists are more forthcoming and more open to selling their stand-alone songs also to us.They see a much deeper relationship possible with Saregama compared to any of our competitors.

But again, remember that Live Events business is a relatively low-margin business. So as the mix keeps changing, it will have its impact on the PBT percentage, though the music PBT percentage remains unaffected.

Yoodlee saw action this quarter, 2 Malayalam and one Punjabi movie got released during this quarter. Prithviraj Sukumaran's movie Kaapa got released in Malayalam. It opened to great reviews and a good theatrical collection. The movie also got released on Netflix recently and opened at number one trending position and is currently trending in number two across India on Netflix.

Our TV serials that we make and are put up on Sun TV, they continue to do very well in terms of TRPs. We launched a new Tamil serial called Iniya, replacing our existing serial called Roja after 1,300 episodes. Remember, we had launched another serial called Illakkiya in quarter 2, which had replaced Chandrslekha, a serial thathad also completed 2,000 episodes.

All the three serials that we have on Sun TV are actually slot leaders, giving us a strong position.

Live Event business saw two Diljit Dosanjh shows in this quarter, both in India. We also premiered our own IP show Disco Dancer in London. This is our first attempt to go out there and create movie-based musicals, which can attract many people in their 40s and 50s. basically people who have a greater spending power. We will use the equity of those movies and get the customers in and enjoy the songs that are part of these musicals. We also intend to record these songs and then monetize the videos of these songs on various platforms like YouTube and Facebook.

The next season of Disco Dancer will be happening in the financial year '24. So overall, we are comfortable right now and happy with the way this quarter has progressed. Our mainstream music has done well, and it continues to grow at over 20%. The Films, Television Serials, Event Business, will always be seasonal in nature, depends on which event is coming in which quarter. But on an overall basis at INR 100 crores, I think it's becoming a substantial chunk of our overall revenues. That will be all. Thank you. We'll be happy to take questions now.

Moderator: We have a first question from the line of Ankush Agrawal with Surge Capital.

Ankush Agrawal: Firstly, just a clarification. So, our music licensing business has grown at a usual 20% plus rate for this quarter as well, right?

Vikram Mehra: Yes, it's over 20%. We will be sharingthe growth numbers, both on Music and Carvaan separately at the end of the financial year. Yes, I'm giving the comfort right now, it is upwards of 20%.

Ankush Agrawal: So, Vikram what explains our lower PBT growth of just 11%? Like, have we made some kind of losses in the Carvaan business or what explains that?

Vikram Mehra: Mix is changing. Remember, as we people are going further and further, the Live Events, Films and Series is a much lower margin business.

Ankush Agrawal: No, I'm talking about Music segment PBT growth, the segmental -- music segment PBT has grown about 11%.

Vikram Mehra: There also, content charge for the newer content has also been considered.

Ankush Agrawal: Yes. But on content charge growth for this quarter has been the lowest for last many quarters, like last 2 quarters, we were growing at like triple digital rate, the content charge was growing, but now the base is quite increase, right? So, this quarter content charge increased about 35-odd percent. So just trying to understand the equation over here. Are there is some other costs that have increased on the music business side or something that you want to highlight?

Vikram Mehra: No substantial change has happened there. Content charge for Q3FY23 is INR 15.9 crores versus INR 11.5 crores last year. So, the moment I add that much amount of INR 5 crores in the current quarter Music segment number that itself changes the Music segment PBT Growth.

Ankush Agrawal: So, it's largely on the content, is your point of view.

Vikram Mehra: There is no one-off stuff, which is happening here, that is substantial enough. The Carvaan business for us for the last three years, I've been saying this, is a breakeven business. With Carvaan, the only chances of losses are marketing, and we have stopped marketing Carvaan.Rest assured I'll never come to you saying that our numbers are getting lost because of Carvaan. If we ever want to reinvest in Carvaan, we will inform you first.

Moderator: We have next question from the line of Swarnashish Chatterjee with Asterisk Capital.

Swarnashish Chatterjee: My question is, if we say our breakeven is five years, so actually, we invest or acquire a music by INR 100. On average, in the next five years, we get INR 100, right? But it should be-- actually, it's right. On the first year, it should be very high, may be INR 40, INR 50. On the fifth year, it will be very low. So, my question is, what is my -- if I acquire a music by INR 100, what is my profit in the sixth year or fifth year when the music is not popular anymore?

Vikram Mehra: I just want to clarify --that there is this understanding that music has a life of 1 year and 2 years, and it does very well in the initial days. While I'm in agreement with you that the first year is the highest number, that's why we also take 38% charge-offs also in the first year because first year is the highest number for any song. Year 2 falls, which is reality, but after that it starts picking up once again. So, our typical trajectory is year 1 is the highest, which comes down in year 2.

So, some of the songs in year 3 is further down and year 4 onwards the numbers start going up again. This is because the digital growth, is higher than the rate at which natural numbers are falling. So that's the reason our catalog or even movies that we've acquired 4 and 5 years ago, their monthly numbers are higher than the previous month. 6his is a general misconception that music typically has a shorter life or today's music has got a shorter life, while catalog music used to have a much longer life. We have seen this with our own content, with our competition's content who had music of late '90s and 2000s.

We are now seeing with a brand-new music of our own, that music, which once get into the playlist or top of mind of any customer, if he or she starts singing that song, then that songs stays with them until the day they die. It remains as their favorite song. So for my father, it would be Mukesh and Mohammed Rafi singing for Dilip Kumar. For me, the same thing happened with Bachchan and Kishore Kumar. And in current generation, it will be Arijit Singh signing for Ranbir Kapoor and that we think will stay.

Swarnashish Chatterjee: Okay. And sir, I have one another question. Suppose in India, 50% of streaming companies become paid subscribers. So, then our profitability goes up, but then what happens to our breakeven? Because do you think even competition will push the acquisition cost also because our profitability has moved up.

Vikram Mehra: So, I stated this, if the streaming platform, which is just one part of our overall revenue mix, the other parts are also equally important. But the day the streaming business turns paid, it will give a huge profit kicker to all of us., Not just to me, but to my competition also. This means that payback periods may become shorter. But if the payback periods become shorter, there may be an increase in the content cost.

If we are still able to maintain a discipline of not picking up content with a payback period of greater than 5 years, we are still in the same space. My revenue goes up, maybe my cost also goes up. I still maintain a payback period of 5 years. So that's our guiding principle. We do a combination of film music versus non-film music, Hindi music versus Bhojpuri or Gujarati or Bengali or Telugu or Tamil music. And we do so across languages, because it puts me in a position to balance my investments in each of these languages. This ensures that on an overall basis, I'm still within 5-year payback period.

Moderator: We have the next question from the line of Ravi Naredi with Naredi Investment Private Limited.

Ravi Naredi: I was asking that the company that we are trying to separate, we had done an EGM, what is the benefit to shareholders of Saregama? And what is the business that company is doing?

Pankaj Chaturvedi: The shareholders of the company have approved the demerger. The result of the shareholders meeting has also been filed in our petition with NCLT in the month of January. We are monitoring this, and the things are on track. The final order should come to us before 31st March.

Vikram Mehra: On the benefit side, it's just about getting our company more sharply focused. Around 5, 6 years ago, we made the first round of changes in Saregama where we got out of all non-core businesses. There were some other investments that were lying out there within Saregama, and some parts of the business, which were not core to what Saregama does. So, to bring more focus within Saregama, we decided to hive it off as a separate business so that both businesses can do justice to their core.

Ravi Naredi: Okay. Sir, second, when we met our QIP, when our fund will be utilized in the company, whatever purpose we raised QIP?

Vikram Mehra: We are constantly looking at opportunities, whereby we can pick up catalogs. But at a price point that is value accretive to all our investors. There's no point picking up large catalogs, if they come, -- at a price point, which makes no financial sense for us. The good part is we have the money to close the deal at any time. But we are following a very prudent policy so that we don't end up overpaying just because money is sitting there with us.

Ravi Naredi: Right. That is intelligent thing.

Vikram Mehra: Internally, I can give you this comfort that we are maintaining a very strong audit on the financial investments because this money has to be utilized only and only for music and nothing else. So this money is typically invested in relatively very low risk debt. That way the money is protected and the moment we get opportunities of investing in other businesses, which somewhere are going to help our music business either directly or indirectly, we will move in immediately. We are any time are in dialogue with at least 4 to 5 companies, but the deals must happen at the right valuation.

Ravi Naredi: And Vikram, your new initiatives like Diljit Dosanjh and Disco Dancer, please tell few words for same how they are running revenue-wise in our company in third quarter?

Vikram Mehra: Sir, you can see the third quarter numbers, where the Live Event is reported along with Films and Televisions. We did around INR 27 crores. I think for Live Events Q1 and Q2 were bigger because we held concerts in US and Canada in those quarters, quarter 3 were only India as far as Diljit Dosanjh is concerned. Live Events business has got 2 reasons why we're doing it.

One, yes, there is margin, but the margins are very small here. What it does is that when an artist comes to know that not only can he sing songs for Saregama, but he can also do Live Concerts with Saregama, then the artist wants to work with the company that much more than he wants to work with the competition.

The competition may be offering only songs and nothing else. That's our main edge. So multiple artists are now reaching out to us and saying, listen, we want to give you our songs, maybe at a discount, but can you also do something on the live business with us. So, it's just building synergies. For us, it's just a natural extension of our music business. We are very clear on the Live Event side that we will do only and only music related events. We are not going to start holding exhibitions and conferences, that's not the business that we are in. So, if there is a live event happening, it will be mostly IP-related and always connected to music.

Ravi Naredi: And sir, last, my question is revenue growth is 25% in 9 months, do you think such growth possible in future and for how much we get?

Vikram Mehra: I'm not going to run away from the fact that there will be short-term pressure coming here and there in the industry as OTT services move from advertising to subscription. But we are reasonably confident that the quality of our catalog and our new music acquisition will ensure that we will be writing this 22% to 25% growth even in the short run and in the medium to the long run. As far as since Events and Live business is concerned, we have been showing that our growth is far higher. In 9 months, we have literally grown 100% there. So, I don't see too much of a trouble right now for that business also to grow at 25%.

Moderator: We have next question from Bhupendra Tiwary: with ICICI Securities.

Bhupendra Tiwary: My first question was on the new content. So, you talked about Ranveer Singh movie, I think 2 Vicky Kaushal movie and then Vijay Deverakonda movie and then couple of regional content apart from, I think, the tie-up we have with Arijit and Sanjay Leela Bhansali, one we released on this time around. So now one, I just wanted to understand how the pipeline is of content? I think I believe that the movie pipeline itself was smaller last year in terms of the Hindi movie vis-a-vis the pre-COVID times.

So how is the overall pipeline, I mean, new content pipeline that we see apart from the big names, so I understand that. And has it changed the economics kind of I think in terms of the competitiveness, has it come down in terms of the content acquisition cost? What are you observing there? That was my first question, after which I'll ask the couple.

Vikram Mehra: Movie production is back in business. The problems of COVID are long forgotten. Also, increasingly you're seeing movies getting released in theaters rather than going to a digital platform directly. This is good news because any movie that goes to theaters, typically the music of that movie does far better than a movie which is going to the digital platform directly. So, you will have visibility on all the 4 big languages, Tamil, Hindi, Telugu, and Malayalam.

And there are multiple releases lined up both with the bigger stars and the smaller stars, budget movies, smaller budget films. When we acquire music in any particular language, we follow a portfolio approach, whereby there are some big more expensive but high-profile films that you end up taking and then multiple smaller to middle budget films that we end up taking. The risk factors are greater in smaller films. But if they fire, they fire big time.

Larger budget films typically do well because you pay that much amount of money only and only because there's a big star cast, composer and singers connected to it. So that's how typically this entire planning goes about on the film music side. Hindi film acquisition typically happens anything around 8 to 12, 15 months in advance of the release of the film. That's a stage at which composes are being finalized and singers are being finalized and situations are being finalized and that is the time we come in often, if it's a large budget film. If it's a smaller budget film, then we come in only when the songs are fully ready. On the Tamil and the Telugu side, we end up acquiring music typically 6 to 9 months in advance for very big guys and maybe a month earlier for smaller budgets films. Have I answered your question?

Bhupendra Tiwary: Yes. I think most of it. Now the second part of the question was -- I mean, second question was largely on the web series. We had a couple of web series lined up for release -- I mean, under the process. So how are they are lining up? And do we expect a couple of them releasing by FY '24, I mean, what is the timeline?

Vikram Mehra: Always remember, there always will be a delta between us closing the deal with the platform and handing over the series to them and getting our money and recognizing the revenues, while the platform may take its own time to finally schedule the release of the series, depending on whatever suits them. Our series model is safer, because we typically start work on the series only once we have a mandate from a platform. We are trying to pitch series both on the large scale, as well as the small to medium scale. At the same time, there's a lot of emphasis going on films in regional languages, which is Malayalam, Punjabi, and Marathi, which can first hit the theater and then eventually go to TV and digital platforms.

Bhupendra Tiwary: Sure. So, we had 2 or 3 series, if I'm not wrong, which we were working on, which we had announced, 2 I could remember, web series, I think. Has it been -- I mean, has the shooting and all those things completed or it's under...

Vikram Mehra: So majority of the part is completed here. Unfortunately, our contracts with our platform forbid us to any mention of anything until the time they are not ready to talk about it. So, the film business in that sense is simpler because you decide you want to do a film, within 6 to 9 months a film shoot is completed. Series business is a longer wait time because scripting itself takes longer, then production happens and then it's all with the platform to decide when they are ready to announce it.

Bhupendra Tiwary: Sure thing. And the third question, I just wanted -- I mean, I had a doubt, I mean, I saw the presentation. In the streaming partner thing, I couldn't see Gaana. So, I was just wondering, I just wanted -- I mean, are we continuing with -- are we on Gaana or it's just that kind of a thing, just last question.

Vikram Mehra: As a policy we don't talk about individual partner deals. But I had a similar question being asked to me at the end of quarter 1 on our deal with Meta. And that time also said this, and I'm repeating the same thing here. Often, we will have deals going or deals being put off as part of the negotiation process with various partners of ours. Our role as a management team is to ensure that while we are negotiating with the partner, and having -- at times having to take a tough stance of pulling off our content from those platforms, the overall revenues cannot fall. If we are pulling off content from one platform, we need to ensure that - the customer of that platform moves to some other platform and listens to my song.

So if you are fond of listening to our latest Arijit song or Badshah Ka Pani Pani, and if it's not there on platform A, you will go to platform B and listen to it, and we get compensated that way. So in fact, in spite of the fact that we may not be there on some of the platforms in this quarter, my music revenue has still grown by over 20%.

Moderator: We have next question from the line of Dheeresh Pathak with WhiteOak Capital.

Dheeresh Pathak: A few questions. First is, what percentage of our YouTube views would have an ad load?

Vikram Mehra: See, I cannot comment as specific and particular as that. The YouTube revenue depends on 3 factors. Factor number one, how many views have our videos been able to generate, the number of videos on which an ad is put and the rate at which ads are coming in. So, the part 2 and part 3 are more in the hands of YouTube than in our hands, they keep on fluctuating. But overall, we are seeing a healthy growth coming out of YouTube.

Dheeresh Pathak: Because we have some sense that the views you are anyways sharing with us in aggregate on the YouTube platform, and then based on your top client disclosure, we can work out the monetization per view, it is coming out to be much lower because the only thing that can explain is that you have a very low ad load, your content on YouTube. Otherwise, the number is not making sense to me at least and I can take this offline more clarity.

Vikram Mehra: Yes, the rates keep on moving. When we people report the YouTube number data, its reporting data both for YouTube as well as YouTube Shorts, which is a YouTube property, and it's a collective part of that. YouTube Shorts is a property, which is very similar to Instagram. The simplistic way in which you're trying to arrive at the number may not be the right way to do it. I'm happy to clarify more stuff on offline.

Dheeresh Pathak: That was useful. Then in the annual report, there is a breakup of the licensing revenue between domestic and international. So, what is the basis on which you define those 2?

Pankaj Chaturvedi: The revenues, which is from our customers outside India are classified as International and remaining is domestic.

Dheeresh Pathak: So, the client billing might happen outside India, but it is happening for consumption by users of that platform in India, that would still show up as international, right?

Pankaj Chaturvedi: If the customer is outside India and Company is billing in foreign currency, the same would be classified as International Revenue.

Dheeresh Pathak: Okay. So, the international revenue is paid in foreign currency, and that saw a sharp increase as per the annual report last year. The growth when we saw in licensing, a lot of it was from the international revenue. There was not much growth in domestic. So, was there a specific reason for that?

Vikram Mehra: . Some of the biggest boys who are there in this game are international guys. There are specific deals where there's a huge increase that people saw, and hence you saw this number.

Remember whether it's the audio or video streaming platforms some of the bigger names are international guys

Dheeresh Pathak: Yes. So that's what I'm saying. So hypothetically, let's say if it is YouTube, you get YouTube consumption is happening by YouTube users in India, but you struck a deal with them at an international level, so you'll classify that as international revenue stream, right?

Vikram Mehra : I'll be able to -- answer your question or underlying doubt because otherwise we go in circles here. I can't disclose beyond a point on the call as it is confidential information. So, if you can tell me what your concerns is, I'll try to address that.

Dheeresh Pathak: Actually, when we saw the increase, the breakup, we saw that a lot of the growth came from international revenue. So, what I'm trying to understand is -- is the bucketing of the revenue based on consumptions of streaming by users based out of India? Or is it just the billing is happening outside India, but users of that streams are still in India?

Vikram Mehra: Billing. It is nothing to do with consumption. It depends where is the party with whom we have got the commercial deal being signed and where are they based. And whether they are asking the Indian entity or international entity to do the deal.

Dheeresh Pathak: Understood. That makes sense. There is a seasonality in Q2. Is there a reason that some renewals happen, or the overflow based on minimum guarantee gets billed in Q2 that Q2 is typically a higher quarter, a big quarter?

Vikram Mehra: Actually, Q3 is the best quarter we have because of factors. One, that is the festival season and Carvaan sales typically does the best in that quarter. And then YouTube revenues typically peak at that time because of that many ads being delivered and rates being higher. Q3 is the highest, then Q2, then Q4, followed by Q1.

Dheeresh Pathak: Okay. One last question. This content charge, this comes across various line items, right? Because when you acquire content on the balance sheet, at least my understanding is it is showing up in 3-line items, one is an intangible, second is in inventory and third is in current assets. So, this content charge that you mentioning is summation of all those new costs which are capitalized and then expensed through the P&L in operating costs, as well as amortization, as well as royalty, right?

Pankaj Chaturvedi: That's correct. So apart from the 3 items on the balance sheet, you also have a marketing cost, which is entirely charged to P&L. That is also part of the content charge as we have defined in our presentation as well.

Dheeresh Pathak: What you put as intangible versus, what you show in current assets, is it just the genre that regional is put into intangibles and Hindi is put into current assets?

Pankaj Chaturvedi: Money paid as an advance for our content is clubbed under current assets Once it gets released, it moves to   intangibles assets. So, it's only the stage of the content, which determines where it is going to be placed on the balance sheet.

Dheeresh Pathak: But everything will initially move to current assets and then will move into intangibles, is that the way to think about it?

Pankaj Chaturvedi : Yes. That is usually the life cycle of the content.

Dheeresh Pathak: Last annual report, you also put music rights in inventory for the first time. So, is there a specific reason for putting it in inventory, which was not there earlier?

Pankaj Chaturvedi : Yes. So, there are royalty-based deals. The nature of those content acquisitions is different, and we have been accounting those consistently under inventory, and that's the reason you find in all the 3 buckets.

Moderator: The next question is from the line of Nitin Sharma: with M.C. Pro Research.

Nitin Sharma: Can you please talk about the ad rev environment around the YouTube. Some sense, has it slowed down or is it at par, what it was in first quarter or so?

Vikram Mehra: So unlike the western part of the world, we have not seen the advertising scenario as such slowing down on the digital front. I'm not going to just talk only about YouTube. If I look at various properties, we have seen that, as always, quarter 1 was a weak quarter, which is traditionally the weak quarter from an advertising perspective. Both quarter 2 and quarter 3 saw a very, very decent growth on the advertising front. This is a very different narrative from what you will hear from the television world where the revenue seems to be falling down on advertising, but not digital. Our experience shows right now that the revenues are still holding steady.

Nitin Sharma: Understood. And 2 for bookkeeping question. So, what led to fall in the other expenses in this quarter?

Pankaj Chaturvedi: So, it's some of the expenses we had to regroup, reclassify with the revenue. So that's basically a P&L neutral item as it's not impacting P&L.

Nitin Sharma: Okay. So, is it from item already classified as bad debt and then it got recovered, something like that?

Pankaj Chaturvedi: We can't go into specific line item, some of the expenses we had to regroup, reclassify with the revenue which had no impact on the bottom-line.

Nitin Sharma: Understood. And the last question, I see a clothing segment on your website. Can you please talk about this?

Nitin Sharma: There's a clothing segment on your website, I think some T-shirts or catalogs being sold. Can you just talk about it? Is this some promotional activity or a new segment?

Vikram Mehra: You're talking about clothing segment. There are small experiments that are being done right now all times about how to further monetize our IP. Many such experiments always run at a very, very small scale. We typically don't talk about it till the time they don't reach at least some substantial chunk. So, this is one of the multiple experiments being carried out on the merchandising side. When the segment becomes substantial either in terms of cost, or hopefully in terms of revenue, then I'll talk about it, it's just too early.

Moderator: We have the next question from the line of Savi with 2Point2 Capital.

Savi: I just had a question on the service business. If I look at the segmental results for 9 months, that has fallen as compared to last year, fallen by quite a bit, whereas the capital employed has increased substantially. So, while the profitability has decreased by more than 50%, the capital employed has almost doubled. So, both the profitability and the return on capital has declined for this segment. Is this -- I mean, how should I read this?

Vikram Mehra: So, for the first part, you should read it this way that fortunately or unfortunately we are combining the Live Events business also. So whatever impact you're seeing is on the Live Event. Live Event is not even a 1-year-old business. It has got its own one-off costs that has been put out here. And hence, you are seeing some profitability being on the lower side on a 9-month basis, still it is healthy enough business. As far you are talking about the money, which is locked here, there are multiple large projects that have been kick started as we people try to scale up the entire film business, so that's what's there. You will see many of the films coming out over quarter 4 of current financial year and quarter 1 and quarter 2 of next year.

Savi: So you are obviously monitoring the return on capital in the business because at the end of the day that is important in the long run.

Vikram Mehra: Absolutely, I'm with you right now. So there is -- hopefully next year or maybe a year after that we will start splitting maybe the Event business separately, then you can actually see the actual money locked out there on the film side as well as the return that is giving. We have committed to a 15% to 20% margin. That's the only thing I've stated until now on the Films and Series business, and we are holding ourselves to that commitment.

Savi: Okay. And on the content cost side, where there's obviously a Q-o-Q decline. There's a Y-o-Y increase, but I mean the amount of investments that we are making does not seem to be significant in context of the amount of cash we have. So is it that the competition has increased significantly, and we don't want to partake in that and that's why we are staying away from acquiring...

Vikram Mehra: I'll tell you what exactly has happened here. There were 4 big films that were supposed to be released in quarter 3. When we people go out there and plan our calendar of releases, we keep in mind that in any month, there's no point having too many big projects being released in the same language. Unfortunately, on the Hindi side, lot of films have got pushed. Seeing the debacle of some of the larger budget films on the Hindi side, many producers went back to the drawing board to further fine tune their films, which has pushed the release dates of some of our films.

They were supposed to come out in Q3. Some have now got pushed even beyond quarter 4 to quarter 1 of next year. Just that aberration that you're seeing here. We cannot suddenly decide if 3 films are being planned for a quarter, saying, right now those films are not coming, just put some other replacement in So this is a problem that you are seeing only and only because of Hindi films getting pushed.

Savi: And on the dividend side, I don't know if you can comment on this, but dividend amount seems to be quite substantial. So...

Vikram Mehra: I have no say in this., Yes, last year also we ended up giving 300% dividend. So the intent is very clear that we want to maintain a track record of being a good dividend paying company. I'm not running away from all the other commitments I've made to you as a management team member that we are holding ourselves to growth rates of between 22% to 25%, both on the music licensing, as well as films business.

We are holding on to our commitment that the funds raised from QIP will be used only and only for music and nothing else. So I'm agreeing to those revenue numbers also, I'm agreeing to 32% to 33% OIBCID as well as not touching those funds

Moderator: We have next question from the line of Anika Mittal with NVest Research.

Anika Mittal: Sir, my question is from, again, from dealing with the earlier participant, like we are seeing the layoff and cost cutting from the organization, right? And cutting on the advertisement cost due to the rising inflation, I think OTT is spending by the players like Netflix due to lower than expected subscription growth, likely to impact our revenue growth. So, if that is the case, so do we have any alternative revenue streams that can compensate us because OTT in film segment and advertisement from YouTube has a major impact on our revenue stream.

Vikram Mehra: You'll be happy to know that majority of our revenue is protected through fixed fee or minimum guarantees. So, any quarterly seasonality or even an annual seasonality can be borne by us very easily. Further, we get a share of advertising revenue and subscription revenue. In lot of cases, there's a licensing fee that we end up getting. So, we are reasonably protected.

Nobody is completely protected if the market really starts tanking. But we have been quite prudent over the last 2 years when our financial numbers were doing well, and our profitability has been going up.

If you see the manpower expenses as a percentage of revenue it has fallen down. So, we did not go overboard increasing our cost structure just because there was a great time that had come in between, and we maintain that kind of prudence even today.

Anika Mittal: That's right. And sir, one more thing. You were talking about this Live Event business. So how much revenue we did in first 9 months, sir?

Vikram Mehra: Overall between Films, Series and Live Events, we have done close to INR 100 crores in the first 9 months.

Anika Mittal: But the point is, this is a low-margin business. Don't you think the overall ROC will get impacted if this business shall increase its share to the overall mix?

Vikram Mehra: But it's an essential core of the business right now. One, we are in the larger business of entertainment, and not just music. Second, even to protect our music business, we need to be there in these segments. Films is something that every competitor of mine is working on. And you can go and check that almost every Indian player who is into music business is also into the film business.

It gives us a very secure way to secure music of the films because we start getting into the funding of it. Secondly, when we talk to these digital platforms, almost all of them are now licensing both music and films from us together. So, it improves my negotiation position to a very great extent.

Thirdly, as long as these are positive value accretive, I can't grow at a rate beyond 23% to 25% unless I'm ready to take a big hit on my margins. This is because to grow at a rate faster than that, I'll have to acquire music at a very, very high cost, which will have a dent on my bottom line. So, for us, good mix is that to manage our overall growth ambitions, we continue growing music at a 23% to 25% while maintaining our margins. Further, we push for additional growth from other areas, which have a synergy with music and still are positive margin businesses. That's how we look at it.

Anika Mittal: And one more thing sir, you were talking about advertisements are not going right for the TV world, right? So how do you see this thing on our revenue side?

Vikram Mehra: Our dependence on TV advertising is limited. All I can tell you at this juncture is that my TV serials is the only area, which is a smaller part of our business. that we make for Sun TV, where we have some dependence, and we have not seen a fall in quarter 3. But in general, I know in the industry, there has been a substantial fall. The good part about the TV serial business, is that we own the IP. So if there is any fall that we see on television, we are hopefully able to make up for it by putting the same content on YouTube and Facebook.

Anika Mittal: Just a clarification on the digital side, there is not any issue at all from the YouTube advertisement, right?

Vikram Mehra: Sir, I'll say quarter 2 and quarter 3, we have seen a very decent growth in the YouTube revenue.

Anika Mittal: And going forward also, you are not seeing any kind of reduction on digital ad spend?

Vikram Mehra: It's little difficult for me to give those kinds of absolute statements.

Anika Mittal: Based on your conversations with the people associated in the industry, right? So that's why give an idea only.

Vikram Mehra: What we need to do is to protect and shield ourselves from any one single thing. -- If some external industry goes down, it should not affect us too much. If I tell you right now, that if something happens to advertising on YouTube, nothing will change at Saregama, then it will be a false statement. All we can do is to protect ourselves contractually, so through minimum guarantees, through fixed fees and to a diversification of the business that we people are in.

Just to give you comfort, you were talking about Live Event business. While we keep thinking that economy is in a state that it is in, for a Diljit Dosanjh show that happened in Bombay, we sold 10,000 tickets. For Diljit Dosanjh show that happened in Gurgaon, we've sold over 12,000 tickets. And these are all tickets, which are upwards of 2,000 bucks. So, there is a market sitting here. There's a ticketing revenue also coming to us, there is fixed fee, there is advertising, there is licensing, there is physical. There are multiple things that we people are playing in, which gives us protection.

Anika Mittal: And sir, what's there on the QIP utilization side, can we expect something out of it in the near term?

Vikram Mehra: I think you will prefer that we are delayed. But we do prudent buying rather than overpaying and picking up catalogs, which will not be value accretive to us. So just give us a little more time. I know we are testing your patience but give us a little more time so that we can pick up catalogues at the right pricing. Until that time I assure you the money is fully protected and not going to be utilized for anything else.

Anika Mittal: And so, you mentioned quarter 3 is basically your best quarter historically, right? And numbers are also showing that. What is the reason for muted growth Q-o-Q? Because it was festive season and all this thing so.

Vikram Mehra: Yes, there is the festival season. Quarter 3 for Carvaan and YouTube typically ends up doing well. Then, there is also the nature of the contracts that we have. Usually, all the overflows come out there in quarter 2 or quarter 3 of the financial year, so it happens. So, there is that kind of a movement that also happens. I think the best way for you to look at us is on a trailing 12-month basis. That will give you far more comfort.

Anika Mittal: Okay. That's the thing. And where do you see our top line by the end of FY '23? And how big do you expect Q4, considering the significant business you did in Q4 FY '22?

Vikram Mehra: So, sir, as I said right now, traditionally, Q3 is our best quarter. Our attempt, obviously, will be to maximize the revenues in quarter 4. But the variations are not going to be wild variations Yet traditionally, Q3 is the biggest quarter for us. Let's see which way the quarter goes. But on a long-term basis, I'm holding on to our guidance of music licensing growing between 22% to 25% and Films, Events and Series business on an annual basis, growing at 25%. I think that should give you more comfort than just a quarter part because quarters move here and there.

Moderator: We have next question from the line of Aditya Nahar with Alpna Enterprises. We move on to the next question. Our next question is from the line of Shubham Ajmera, with SOIC Ventures LLP.

Shubham Ajmera Sir, I was going through all our YouTube channels and there one of our main music channels that is Saregama music. There is a degrowth in the number of views on both Q-o-Q, as well as Y-o-Y. So, can you please highlight on it? And, on the new movies lined up for the...

Vikram Mehra: There is no degrowth on YouTube views. So, I can't comment on a specific channel. We have I think over 32 YouTube channels across all languages. Even in Hindi, we have got multiple channels, not just one channel. We have shared our quarterly numbers on YouTube. Overall YouTube numbers consists of, which is channels views, user-generated content, and YT Shorts. In fact,44 billion views in Q2 have grown to 53 billion views in Q3.

Shubham Ajmera Sir, I was referring to Saregama music channel.

Vikram Mehra: It's a little unfair to pick up one channel and you think that's a flagship channel, it may not be. There are multiple channels. I'm happy to get into more details here. But overall, YouTube numbers for us have given a very substantial growth in this quarter.

Shubham Ajmera Okay, understood. And on the new movies lined up, so how much movies will be coming up in the next quarter and next Q1?

Vikram Mehra: At this juncture if I go by the release dates, which have been announced by the producers. the lineup on Hindi side, is Karan Johar's directorial movie Rocky Aur Rani Ki Prem Kahani which is expected to release in April. If that does, then the songs will start coming out from the month of March. There is a Vicky Kaushal and Sara Ali Khan movie Zara Hatke Zara Bachke. Again, the dates have been announced for Feb/March as of now. We are still awaiting clarity on if they want to change the date. It's a very common practice in our industry for producers to change dates.

Then there is a Vicky Kaushal, Ammy Virk film called Rola lined up. Then there is an Ajay Devgn film coming called Maidaan. Also, there is a Ronnie Screwwala movie called Pippa. This in fact was planned for '22, then became early '23, now we're hearing it may go to mid '23. Then there is big Telugu film Kushi starring Vijay Deverakonda and Samantha Ruth Specifically naming this because both these artists are very well known in the Hindi space too. We have Prithviraj Sukumaran's films in Malayalam coming in the Q1 and 2 Surya films which will be coming hopefully in Q3 of the next financial year.

We also have a Mammootty and an Ajith film, which are locked. Then on the Tamil side, we have a Sivakarthikeyan film and a Dhanushs film, which is locked. So, there's a range of stuff that we people are working in Hindi, Tamil, Telugu and Malayalam, which you will keep on seeing over the next few weeks, months, hopefully in the calendar year '23. We have also learned our lessons. So, we are going to be prepared that if there are a large number of movies getting pushed, then there will be a lot more non-film songs that will keep coming out.

Shubham Ajmera Understood. And on the Mango Music, like the acquisition which we have done last year of Mango Music, so just wanted to check like, is it started resulting in the financial terms as well?

Vikram Mehra: Yes, it has. We have jumped from literally not being a player in Telugu to a clear number two position in Telugu, which is a combination of some great new music and the Mango catalogue acquisition.

Shubham Ajmera Understood. And my last question is on the Carvaan business. So, like can you share the product mix in the Carvaan. How much percentage is from the newer mobile versions, which we have launched? And how much is from the older variant per se.

Vikram Mehra: Unfortunately, I'll not be able to share that information. But I've been stating for the last 2 quarters that Carvaan Mobile is playing a substantial enough role. The old Carvaan is a product -- is a 5-year-old product now and has got no marketing support over 3 years now. So it's been a newer products and variants of Carvaan like Carvaan Mini, Carvaan mobile obviously, which is helping us that much more.to sell these many number of units.

Moderator: Ladies and gentlemen that was the last question. And now I'd like to hand the conference back over to Mr. Vikram Mehra: for closing comments. Over to you, sir.

Vikram Mehra: I'll just repeat whatever I said earlier. We maintain our bullish stance on music licensing. We expect a 22% to 25% annual growth over the next 3 to 5 years. The next 12-18 months , where we will see the transition of the OTT or the music streaming industry from an ad-based model to a subscription-based model, will have its short-term pressures and things will go topsy turvy.

, But the moment I start looking at an 18 to 36 months or a , 60-month horizon, I see a very stable growth of revenue coming in.

But even during this period of 12-18 months, we are confident that we will be able to handle these pressures because of the diversified nature of our revenue and an increasing market share in the space of music. We will continue with our aggressive investments, both on film and the non-film music side across all the major leading languages of the country. We are on a constant lookout and conversations with multiple companies which are either music catalogs or companies which are connected to the world of music -may not be directly holding catalog - but may help us a lot in promoting new music.

We're talking to a multiple such entities and evaluating if any acquisition is possible at a valuation that makes financial sense. We continue with a cautious approach on Carvaan, and the focus will be to continue to manage our margins and not the top line. Carvaan will continue at least to do breakeven. The film, TV series and the events vertical, I expect it to grow at 20%, 25% growth year-on-year, and we hope to make anything around 15% margin on this business.

The events verticals specifically will have its ups and downs on the quarterly side depending on how many events in a quarter have we been able to go into. It will take a couple of years right now before stability that comes in. Itwill be a very low-margin business at least in the first couple of years. We will continue with this because strategically, it helps us with our music acquisition. Overall, I assure all of you once again that we are well protected from the vagaries of advertising revenues going up and down on a quarterly basis. But hopefully, we are well prepped and don't have high cost structures for us to suffer in case things go dramatically wrong. I'm hopeful right now that we will maintain our profitability and the growth projections, we have given you on a short to medium term basis. That would be all. Thank you guys, bye-bye.

Bhupendra Tiwary: Thank you very much, sir. Ladies and gentlemen, on behalf of ICICI Securities that concludes this conference. Thank you for joining us. You may now disconnect your lines.