



## Board of Directors

*Mr. S. Goenka*  
*Chairman*

*Mrs. P. Goenka*

*Mrs. S. Goenka*

*Mr. S. Banerjee*

*Mr. P. K. Mohapatra*

*Mr. B. Raychaudhuri*

*Mr. V. Mehra*

*Mr. G. B. Aayeer*

## **GM - Legal & Company Secretary**

Mr. Tony Paul

## **Auditors**

Price Waterhouse  
*Chartered Accountants*

## **Legal Advisors**

Khaitan & Company

## **Registrars and Share Transfer Agents**

MCS Share Transfer Agent Ltd.  
12/1/5, Manoharpukur Road  
Kolkata - 700 026

## **Bankers**

United Bank of India  
State Bank of India  
ICICI Bank Limited

## **Registered Office**

'The Studios@Dum Dum'  
33, Jessore Road  
Dum Dum  
Kolkata - 700 028

# SAREGAMA INDIA LIMITED

## *CORPORATE INFORMATION*

CIN : L22213WB1946PLC014346

Web : [www.saregama.com](http://www.saregama.com)

### **Registered Office & Studios**

'The Studios @ Dum Dum'

33, Jessore Road

Kolkata - 700 028

Phone : (033) 2551 2984, 4773

Fax No. : (033) 2550 0817

e-mail : [co.sec@saregama.com](mailto:co.sec@saregama.com)

### **Regional Offices**

2, Chowringhee Approach

Kolkata - 700 072

Phone : (033) 6550 2113

Fax No. : (033) 2212 8911

2nd Floor, Spencer Building

30, Forjett Street,

Grant Road (W),

Mumbai - 400 036

Phone : (022) 6688 6200

6, DDA Commercial Complex

3rd Floor

Panchsheel Park

New Delhi - 110 017

Phone : (011) 4052 1912

Fax No : (011) 4052 1913

Door No. 2, 3, 4 & 5

3rd Floor, Kasi Arcade

No. 116, Thyagaraya Road, T. Nagar

Chennai - 600 017

Phone : (044) 2815 1669 - 73

Fax No. : (044) 2815 1674

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**REPORT OF THE DIRECTORS' WITH MANAGEMENT DISCUSSION AND ANALYSIS**

Your Directors are pleased to present the Sixty-Eighth Annual Report of Saregama India Limited along with the audited accounts for the year ended 31st March, 2015.

**Financial Results**

The performance of your Company for the year ended 31st March, 2015 is summarized below:

(₹ in Lacs)

	Year ended 31st March, 2015	Year ended 31st March, 2014
Total income	18894	17369
Profit/(Loss) from operations	1797	2611
Exceptional item	261	886
Provision for Contingencies	Nil	Nil
Profit before tax	1536	1726
Provision for Taxation		
Deferred Tax Charged / (Credit)	(33)	(118)
Current tax	Nil	635
Net profit (after tax and exceptional items)	1569	1209
Proposed Dividend (including tax thereon)	315	305
Transfer to general reserve	Nil	60
Reserves (excluding revaluation reserves)	13880	12724

Your Board is pleased to report a profit of ₹ 1568.51 Lakhs in the year 2014-15.

**Dividend**

Your Board is pleased to recommend a dividend of ₹ 1.50/- per equity share of ₹ 10/- each for the year ended 31st March, 2015.

**Operations**
**Music Audio Business**

Your Company has been able to complete the journey from an old-music label into digital business conglomerate. In April last year your Company entered into partnership with international digital distribution company Believe Digital for digital distribution of the entire music catalogue across different languages and genres in international markets especially with the Indian diaspora. This was followed by the launching of online music store / library starting from Gauhar Jan to the soundtrack of the latest film 'Heropanti' consisting of more than a lakh unique songs in 14 languages streamed for free and downloadable at a price after streaming through Facebook, Twitter, Google Plus and Email, adding a social element to the service. It has four main divisions - Hindi, Regional, Devotional and Languages in 35 sub-categories with an interesting option called 'Experience 360' which provides users with information regarding the song, artists, video and artist biography.

Your Company is concentrating on improving/building content monetization infrastructure, viz., Platform relationships with Telcos, D2h/Cable operators, iTunes, OTT providers, TV channels and Radio stations; Direct-to-customer retail business, e.g. digital : website, apps; & physical: kiosks at high traffic outlets; Youtube business both advertising revenues and claims; International markets monetization; Ad Sales from reinterpretation projects, new South TV programs, advertising agencies.

**REPORT OF THE DIRECTORS (contd.)****Music Publishing Business**

Your Company's decision to negotiate directly with all major Television broadcast networks at decent valuations has been a significant development in the current year. The Bollywood industry continues to synchronize your Company's catalogue to create new content while retaining the nostalgic value of the retro music.

**TV Software**

Your National Television business has launched its first Prime Time Daily "Begusarai" on the recently launched GE Channel & TV from Zee Network. Your Company additionally continues to function as a full-fledged Production House on Channels as Life OK crime series titled "Savdhan India", on National Network of Doordarshan family drama titled "Jab Jab Bahar Aayee" and chat show on women empowerment and upliftment "Stree Shakti". Your Company continues to be a leading producer of TV content in all four South Indian languages. It includes hit serials titled 'Athipookal', 'My Dear Bootham', 'Velan', 'Soolam', 'Raja Rajeshwari' etc.

**Publication Business**

Your Company publishes the weekly current affairs magazine "OPEN" through its subsidiary Open Media Networks Pvt. Ltd. Aimed at the intelligent Indian reader it has been well received by advertisers and readers at large. The subsidiary is adding to its existing business line the promising business vertical of organizing events for live panel discussions on trending topics in politics, society, sports, world affairs, etc.

**Corporate Governance**

Your Company has adopted a Code of Conduct (the Code) for its Directors and Senior Management personnel, who have affirmed compliance with the Code.

The adoption of the Code stems from the fiduciary responsibility that the Directors and the Senior Management have towards the stakeholders of the Company. Your Directors and Senior Management act as trustees in the interest of all stakeholders of the Company by balancing conflicting interest, if any, between stakeholders for optimal benefits.

Your Board of Directors is committed to good governance practices based on principles of integrity, fairness, transparency and accountability for creating long-term sustainable shareholder value.

The Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges forms part of the Annual Report.

A certificate of chartered accountant regarding compliance of the Corporate Governance requirements as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges is annexed to this Report.

**Management Discussion and Analysis (MD & A)**

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

**Industry Structure and Developments**

The music industry has progressed leaps and bounds propelled by the launching of technology driven newer services. Several new Television and FM Radio channels has been added to the existing bouquet which still continues to be the main platform for music lovers. Popularity and prominence of digital distribution of music with mobile and broadband is expected to grow manifolds changing the business models prevalent in music industry. The opportunities in digital space are ever increasing with widespread use by the consumers of mobile and Internet services. Music publishing business is expected to grow at a fast pace and the cost of new content, both in film and non-film space would be continuously on the rise however unabated piracy is still threatening to eating away a substantial portion of the increased revenue generation. The music industry still continues to streamline the effects resulting from amendments to the Copyright Act.

**Opportunities and Threats****Opportunities****Music Business**

Your Company has more opportunities to increase its presence in digital vectors like WAP, Web, DTH, Applications and Devices besides consolidating its position in established vectors like CRBT and Mobile Radio business.

**Music Publishing Business**

Film and Television publishing will offer be the promising opportunity for your Company and work is on full steam to ensure a robust presence.

## REPORT OF THE DIRECTORS (contd.)

### *TV Software*

Your Company is eagerly awaiting the shortlisting of its pending applications with Doordarshan both for 'Prime Time' slots and also in its newly launched channel 'DD Kisan'.

### *Publication Business*

The content focus of "Open" magazine continues to be the intellectual higher income households. This generates interest in advertising in the magazine by FMCG companies for large promotional spends to create appeal for higher income category of customers and promote their Luxury brands. The addition of business vertical of events for live panel discussions are expected to generate interest in advertisers and sponsors, providing new content for exploitation in different formats.

### **Threats**

#### *Music Audio Business*

The industry is anxiously awaiting to see whether TRAI imposes regulations over OTT services. Also the government's approach over net neutrality controversy remains to be seen. All this will have its impact on the music industry.

#### *Music Publishing Business*

Under the new Copyright law the confusion is continuing on a lot of commercial fronts between the stakeholders.

### *TV Software*

The growing cost of production, high cost of Artists and Technicians are continuous problem faced by the software producers. This is also now resulting into production of shows shifting out of high cost locations like Mumbai.

### *Publication Business*

The magazine market is overcrowded with presence of over 60 genres catered by thousands of the magazines. This on one hand reduces share of Magazines as part of overall print industry and on the other allows Advertisers to demand rock bottom ad rates; compromising the financial feasibility of the Magazine.

### **Product Wise Performance**

Your Company's musical treasures in Old Hindi Films, Classical and Regional music content continues to buzz across all platforms. Major non-film music albums released during the year includes - Asha Bhosle's tribute to R D Burman Bengali album 'Pancham Tumi Kothay', her Marathi album titled 'Bappa Morya', 'Satrangi' the debut album of Shaan's band Superbia and the Sufi songs 'Ganesh Sharanam' by Kavita Seth. The reinterpretation digital releases are in huge demand amongst the youth. Due to high quality of the content in Tamil, TV software both in National Television and in Tamil Sun Bouquet of channels commanded better pricing backed by good TRPs. The magazine "Open" has gradually increased its circulation and advertisement revenue yield and pricing better than the competitors.

### **Outlook**

#### *Music Audio Business*

Social networking sites such as Facebook, Twitter and MYSpace are being used by the music companies to promote their music. With introduction of 4G services by Telecom Companies a revolution in market dynamics is set to create new revenue streams and content delivery platforms. Over-the-top applications over internet and mobile platforms are taking the industry by storm.

### *TV Software*

With the launch of new channels the demand for content production will continue to rise. As the broadcaster subscription revenue share increases they will invest more towards production budget in order to offer top class and high production value content to their viewers. Further channels are increasing their program airings from five-day week to six-day week and hence additional production opportunity for Production Houses.

#### *Music Publishing Business*

The music publishing business is expected to grow steadily as the demand for use of compositions / lyrics of retro music are increasing day-by-day.

### *Publication Business*

'Open' magazine has already created its own readership base in the industry. This is expected to augment revenue generation from advertisement and consolidate the readership base. Additionally, the addition of business vertical of events for live panel discussions will augment its top-line contributing to the profitability of the business.

## REPORT OF THE DIRECTORS (contd.)

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### Risk and Concerns

The Stakeholders in music industry are continuing to interpret the amendments in the Copyright Act as suits them best. Even two years after notification of new Act and Rules the Copyright Board is still to become operational. Piracy continues to deter growth of digital music. The alternative business models based on advertisement revenues are still to mature. In the television software business there is continuous trade off between the cost of content and its revenue potential. The fear of drop in TRPs is frequently forcing television channels to withdraw the content. As for the publication business, the gestation period is long with gradual improvement in volumes and ad-revenue rates built up.

### Internal Control System and Adequacy

The Internal Audit department of your Company conducts both financial and system audit for all key operations. Such reports are placed before the Audit Committee of Directors and recommendations, if any, are implemented. Your Company has also well documented standard operating procedures for all operational and functional areas. Further, the Board periodically reviews the policies and procedures for risk identification and mitigation.

### Financial Performance with respect to Operational Performance

Strict budgetary control is maintained on all operational performance indicators and review on working capital and cash flow is carried on for improving the operational efficiency.

### Human Resources

Your Company's human resource management systems and processes aim to create a responsive, market-focused, customer-centric culture and enhance organizational vitality, so that each business is internationally competitive and equipped to seize emerging market opportunities.

As on the date of this Report, your Company has 312 employees.

### Information Technology

Your Company is in the process of consolidating the benefits of implementation of ERP from SAP equipped module handling Intellectual Property Rights Management. This initiative would not only efficiently utilize the Company's vast content but also build capabilities for the future and help to keep its operations contemporary.

### Forward-looking Statements

This Report contains forward-looking statements that involve risks and uncertainties. When used in this Report, the words "anticipate", "believe", "estimate", "expect", "intend", "will" and other similar expressions as they relate to the Company and / or its businesses are intended to identify such forward-looking statements. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. Actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of their dates. This Report should be read in conjunction with the financial statements included herein and the notes thereto.

### Directors' Responsibility Statement

Your Directors states that:

- In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanations relating to material departures;
- The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- The Directors have taken proper and sufficient care of the maintenance of adequate accounting records, in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- That your Directors have prepared the Annual Accounts on a going concern basis;
- The Directors have laid down internal financial controls to be followed by the Company and that such internal controls are adequate and are operating effectively; and
- The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## REPORT OF THE DIRECTORS (contd.)

### Contracts and Arrangements with Related Parties

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. The disclosures are set out in Note 39 to the financial statement.

### Corporate Social Responsibility (CSR)

The Corporate Social Responsibility Committee has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board. Your Company is committed to identifying and supporting programmes aimed at:

- Provision of access to basic healthcare services / facilities, safe drinking water & sanitation and conducting health awareness camps;
- Empowerment of the disadvantaged sections of society through promoting inclusive education for all, as well as through livelihood generation and skill development;
- Supporting environmental and ecological balance through energy conservation, adoption of initiatives resulting into Greenhouse Gas Emissions reduction and transformation into a low carbon business practices;
- Undertaking livelihood generation / promotion and women empowerment projects;
- Any other programme that falls under the Company's CSR Policy and is aimed at the empowerment of disadvantaged sections of the society; and
- Undertaking / supporting sports activities and programmes of art & culture in various forms.

### Vigil Mechanism

The Vigil Mechanism of your Company, which also incorporates a whistle blower policy in terms of the Listing Agreement. Protected disclosures can be made by a whistle blower through e-mail, or a letter to the Chairman of the Audit Committee.

### Employee Benefit Scheme

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

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

### Rights Issue

Your Company offered 5,338,628 Equity shares of face value of ₹ 10/- each for cash at a premium of ₹ 35/- per share on Rights basis to the existing Members of the Company in the ratio of 4 Equity shares for every 7 Equity shares held on the Record Date (14th March, 2005) aggregating ₹ 2,402 lakhs. Out of the total issue, 5,332,025 and 1,113 and 200 Equity shares were allotted in the year 2005-06, 2006-07 and 2009-10 respectively and the balance 5,290 Equity shares were kept in abeyance due to pending litigation and identification of beneficiaries of the clearing members by NSDL and CDSL.

### Fixed Deposits

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Rules made thereunder.

### Particulars of Employees

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(1) to 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and other particulars of the employees drawing remuneration in excess of the limits set out in the Rules are provided in the Annual Report. However, as per first proviso to Section 136(1) of the said Act the Annual Report excluding the aforesaid information is being sent to all the Members of the Company and others entitled thereto. Any Member interested in obtaining such particulars may write to the Company Secretary at the registered office of the Company. None of the employees as set out in the said Annexure is related to any Director of the Company.

### Directors and Key Managerial Personnel

In terms of Article 102 of the Articles of Association and pursuant to the relevant provisions of the Companies Act, 2013 Mrs. S Goenka and Mr. G B Aayeer retires by rotation and, being eligible, offers themselves for re-appointment at the ensuing Annual General Meeting. The particulars regarding the Directors proposed to be re-appointed at the ensuing Annual General Meeting, as required under Clause 49 of the Listing Agreement of the Stock Exchanges, has been given in the Notes annexed to the Notice convening the meeting.



**REPORT OF THE DIRECTORS (contd.)**

Mr. Harshavardhan Neotia resigned as a Director of the Company with effect from 18th November, 2014. The Board places on record its deep appreciation for the services rendered by Mr. Harshavardhan Neotia during his tenure as Director of the Company.

Your Company has devised programmes for familiarisation of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters. Also a Policy of performance evaluation was followed for Independent Directors, Board, Committees and other individual Directors which includes criteria for performance evaluation of the non-executive and executive directors.

**Auditors**

M/s Price Waterhouse, the Statutory Auditors of the Company, retire at the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment.

M/s. Shome & Banerjee, Cost Accountants, has been appointed by the Board for conducting the audit of cost records of your Company for the financial year ended 31st March, 2015.

M/s MR & Associates, Practicing Company Secretaries, has been appointed by the Board to conduct Secretarial Audit for the financial year ended 31st March, 2015.

**Subsidiary Companies**

In accordance with the Companies Act, 2013 the audited accounts and other particulars of Saregama Plc., RPG Global Music Limited, Kolkata Metro Networks Limited and Open Media Network Private Limited shall be available for inspection at the registered office of the Company. Your Company has invested an amount of ₹ 17 Crores in Kolkata Metro Networks Limited, a wholly owned subsidiary, to generate revenue through live music, artiste management, representation, event management etc. Your Company has increased its holding to the extent of 75.18% in Open Media Network Private Limited with full management control.

**Consolidated Financial Statements**

The Consolidated Financial Statements as stipulated by Clause 32 of the Listing Agreement with the Stock Exchanges have been prepared by the Company in accordance with the requirements of Accounting Standard 21 “Consolidated Financial Statements” issued by The Institute of Chartered Accountants of India. The audited Consolidated Financial Statements together with Auditors' Report thereon form part of the Annual Report.

**Conservation of Energy and Technology Absorption**

**A. Conservation of energy :**

**(a) Energy conservation measures taken :**

During the year external experts conducted an energy audit and the recommendations have been implemented.

**(b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy :**

No additional investments for reduction in energy consumption have been made or are proposed to be made presently.

**(c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods :**

The Company has achieved marginal savings during 2014-2015 due to the measures at (a) above.



**REPORT OF THE DIRECTORS (contd.)**
**B. Technology absorption :**
**(d) Efforts made in technology absorption as per Form B under :**
**FORM B  
(See Rule 2)**
**Form for disclosure of particulars with respect to absorption.**
**Research and Development (R & D)**

<b>1. Specific areas in which R &amp; D carried out by the Company</b>	No Research & Development activities have been carried out by the Company during the year.
<b>2. Benefits derived as a result of the above R &amp; D</b>	-
<b>3. Future plan of action</b>	-
<b>4. Expenditure on R &amp; D :</b>	Nil
<b>(a) Capital</b>	-
<b>(b) Recurring</b>	-
<b>(c) Total</b>	-
<b>(d) Total R &amp; D expenditure as a percentage of total turnover</b>	-

**Technology absorption, adaptation and innovation:**

- 1. Efforts, in brief, made towards technology absorption, adaptation and innovation.**  
The technology for manufacturing audio cassettes was imported nearly 10 years earlier and has been absorbed fully. The product line of audio cassettes however is becoming outdated with advent of new formats of consumption.
- 2. Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc.**  
None.
- 3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished :**  
Not Applicable.
  - (a) Technology imported.** -
  - (b) Year of import.** -
  - (c) Has technology been fully absorbed?** -
  - (d) If not fully absorbed, areas where this has not taken place, reason therefore and future plans of action.** -

**Foreign Exchange earnings and outgo**

- a) The International business of the Company is handled by its foreign subsidiaries viz. Saregama Plc. and RPG Global Music Limited. Although, in line with the laid down policy of the Company, the foreign operations are directly handled by such subsidiaries, the Company actively assists and guides these companies in its marketing efforts, content creation, appointment of foreign sub-publishers etc. which leads to foreign exchange earnings for the Company.
- b) Total foreign exchange used and earned:

	<b>Current Year</b>	<b>Previous Year</b>
Foreign Exchange used	<b>15.94</b>	94.44
Foreign Exchange earned	<b>3019.43</b>	2094.85

**Acknowledgement**

Your Directors express their sincere thanks to all stakeholders including the employees, artistes, composers, musicians, film producers and shareholders for their continued support and cooperation.

By Order of the Board

**G. B. Aayeer**  
Director

DIN - 00087760

Kolkata,  
29th May, 2015

**REPORT OF THE DIRECTORS (contd.)**

Statement as at 31st March, 2015, pursuant to Clause 12 (Disclosure in the Directors' Report) of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, in respect of Options granted under the Company's Employee Stock Option Schemes :

Sl.No.		Saregama Employee Stock Option Scheme 2013 (Scheme)	
		During 2014-15	Cumulative
(A)	(i) Number of Options Granted :	—	82,000
	(ii) Total Number of Options Granted :	—	82,000
(B)	Pricing Formula	“Exercise Price” means the price determined by the Nomination and Remuneration Committee from time to time at which the eligible Employees shall be authorized to exercise their Options provided that such price is not detrimental to such eligible Employees' interest	
(C)	Options Vested		NIL
(D)	Options exercised		NIL
(E)	Options Lapsed		62,000
(F)	Variations of terms of Options		None
(G)	Money realised by the exercise of the Options		NIL
(H)	Total number of Options in force		20,000
(I)	Weighted Average Exercise Price (₹)		
	Mr. G. B. Aayeer		69.85
	Mr. Avinash Mudaliar		53.95
(J)	Weighted Average Fair Value (₹)		
	Mr. G. B. Aayeer		49.50
	Mr. Avinash Mudaliar		51.10
(K)	A description of the method and significant assumptions used during the year to estimate the fair values of Options.		The fair value of each Option is estimated using the Black Scholes Option Pricing model after applying the following key assumptions on a weighted average basis:
	(i) Risk free interest rate		9.00%
	(ii) Expected Life		10 Years
	(iii) Expected Volatility		57.30%
	(iv) Expected Dividends		5.00%
	(v) Price of the underlying Shares in the Market at the time of the Option grant.		₹ 63.50

**REPORT OF THE DIRECTORS (contd.)****Employee-wise details of Options granted under Employee Stock Option Scheme****i) Senior Management personnel**

Name	Designation	Options Granted during 2014-14	Total
Mr. G. B. Aayeer	Chief Financial Officer and Director	10,000	10,000
Mr. Avinash Mudaliar	Head Internet Products & Services	10,000	10,000

**ii) Employees granted 5% or more of the Options in any one year:**

Name	Designation	Options Granted during 2014-14	Total
Mr. G. B. Aayeer	Chief Financial Officer and Director	10,000	10,000
Mr. Avinash Mudaliar	Head Internet Products & Services	10,000	10,000

**iii) Employees granted Options equal to or exceeding 1% of the issued capital during any one year: None**

The Company has adopted intrinsic value method as permitted by the SEBI Guidelines and the Guidance Note on Accounting for Employee Share Based Payment issued by the Institute of Chartered Accountants of India in respect of stock options granted. The value of the underlying Shares has been determined by an independent valuer.

The Company's net profit and earnings per share would have been as under, had the compensation cost for employees' stock options been recognised based on the fair value at the date of grant in accordance with Black Scholes model.

(All amounts in ₹ Lacs, unless otherwise stated)

	31st March, 2015	31st March, 2014
Profit after taxation	1,568.51	1208.77
Less: Additional Employee compensation on cost based on Fair Value	1.94	0.08
Profit after taxation as per Fair Value Method	1,566.57	1208.69
Earnings per Share (EPS)		
Basic		
Number of Shares	17,402,938	1,74,02,938
Basic EPS as reported (₹)	9.01	6.95
Proforma Basic EPS (₹)	9.01	6.95
Diluted		
Number of Shares	17,414,830	1,74,05,183
Diluted EPS as reported (₹)	9.00	6.94
Proforma Diluted EPS (₹)	9.00	6.94
Effect of Share-based payment plan on the Balance Sheet and Statement of Profit and Loss		
Expense arising from employee share-based payment plan	NIL	NIL
Deferred Stock Compensation	NIL	NIL

By Order of the Board

**G. B. Aayeer**  
Director

DIN - 00087760

Kolkata,  
29th May, 2015

REPORT OF THE DIRECTORS (contd.)

**EXTRACT OF ANNUAL RETURN**

as on the financial period ended 31.03.2015

[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

FORM NO. MGT - 9

**I. Registration and other details**

CIN	L22213WB1946PLC014346
Registration Date	13.8.1946
Name of the Company	Saregama India Limited
Category / Sub-Category of the Company	Public Company / Limited by shares
Address of the Registered Office and contact details	33, Jessore Road, Dum Dum, Kolkata-700028; Telephone: (033) 2551 2984; Fax : (033) 2550 0817 E-mail : co.sec@saregama.com
Whether listed company	Yes
Name, address and contact details of Registrar and Transfer Agent, if any	MCS Share Transfer Agent Limited 12/1/5, Manoharpukur Road, Ground Floor, Kolkata-700 026; Telephone: (033) 4072 4051 4053; Fax : (033) 4072 4050 E-mail : mcskol@rediffmail.com

**II. Principal Business Activities of the Company**

All the Business Activities contributing 10% or more of the total turnover of the Company shall be stated:

Name and Description of main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company
Income from Television Serials (including Free Commercial Time)		35.42%
Licence Fees		63.05%

**III. Particulars of Holding, Subsidiary and Associate Companies**

Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
Rainbow Investments Limited Duncan House 31, Netaji Subhas Road Kolkata - 700001	U65993WB1988PLC171011	Holding	59.14	2(46)
Saregama Plc Unit 14 Europa Studios Victoria Road London NW10 6ND, UK	N. A.	Subsidiary	70.23	2(87)
RPG Global Music Limited 4th Floor, Barkly Wharf East LeCaudan Water Front Port-Louis Mauritius	N. A.	Subsidiary	100.00	2(87)
Kolkata Metro Networks Limited 33, Jessore Road Dum Dum, Kolkata - 700028	U23209WB1989PLC047337	Subsidiary	100.00	2(87)
Open Media Network Private Limited 33, Jessore Road Dum Dum, Kolkata - 700028	U22100WB2008PTC124295	Subsidiary	75.18	2(87)

REPORT OF THE DIRECTORS (contd.)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Shareholding

Category code	Category of shareholder	Number of shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					As a percentage of (A+B) (VI)	As a percentage of (A+B+C) (VII)	Number of shares (VIII)	As a percentage (IX)= (VIII)/(IV)*100
(I)	(II)	(III)	(IV)	(V)			(VIII)	(IX)
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group<sup>2</sup></b>	<b>3</b>	<b>10291859</b>	<b>10291859</b>	<b>59.14</b>	<b>59.14</b>	<b>NIL</b>	<b>NIL</b>
<b>(1)</b>	<b>Indian</b>							
(a)	Individuals/ Hindu Undivided Family	–	–	–	–	–	–	–
(b)	Central Government/ State Government(s)	–	–	–	–	–	–	–
(c)	Bodies Corporate	3	10291859	10291859	59.14	59.14	NIL	NIL
(d)	Financial Institutions/ Banks	–	–	–	–	–	–	–
(e)	Any Other - (specify)	–	–	–	–	–	–	–
	<b>Sub- Total (A)(1)</b>	<b>3</b>	<b>10291859</b>	<b>10291859</b>	<b>59.14</b>	<b>59.14</b>	<b>NIL</b>	<b>NIL</b>
<b>(2)</b>	<b>Foreign</b>							
(a)	Individuals (Non-Resident Individuals / Foreign non Individuals)	–	–	–	–	–	–	–
(b)	Bodies Corporate	–	–	–	–	–	–	–
(c)	Institutions	–	–	–	–	–	–	–
(d)	Qualified Foreign Investor	–	–	–	–	–	–	–
(e)	Any other (Specify)	–	–	–	–	–	–	–
	<b>Sub-Total (A)(2)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>3</b>	<b>10291859</b>	<b>10291859</b>	<b>59.14</b>	<b>59.14</b>	<b>NIL</b>	<b>NIL</b>
<b>(B)</b>	<b>Public shareholding<sup>3</sup></b>	<b>14975</b>	<b>7111079</b>	<b>6936395</b>	<b>40.86</b>	<b>40.86</b>	<b>N.A.</b>	<b>N.A.</b>
<b>(1)</b>	<b>Institutions</b>							
(a)	Mutual Funds/ UTI	5	35475	35011	0.20	0.20	N.A.	N.A.
(b)	Financial Institutions/ Banks	4	2152	4	0.01	0.01	N.A.	N.A.
(c)	Central Government/ State Government(s)	1	26	–	0.00	0.00	N.A.	N.A.
(d)	Venture Capital Funds	–	–	–	–	–	–	–
(e)	Insurance Companies	6	1798	–	0.01	0.01	N.A.	N.A.
(f)	Foreign Institutional Investors	2	113151	113151	0.65	0.65	N.A.	N.A.
(g)	Foreign Venture Capital Investors	–	–	–	–	–	–	–
(h)	Qualified Foreign Investor	–	–	–	–	–	–	–
(i)	Any Other (Specify)	–	–	–	–	–	–	–
	<b>Sub-Total (B)(1)</b>	<b>18</b>	<b>152602</b>	<b>148166</b>	<b>0.88</b>	<b>0.88</b>	<b>N.A.</b>	<b>N.A.</b>

REPORT OF THE DIRECTORS (contd.)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) (Contd.)

i) Category-wise Shareholding (Contd.)

Category code	Category of shareholder	Number of shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					As a percentage of (A+B) (VI)	As a percentage of (A+B+C) (VII)	Number of shares (VIII)	As a percentage (IX)= (VIII)/(IV)*100
(I)	(II)	(III)	(IV)	(V)			(VIII)	(IX)
(2)	<b>Non-institutions</b>							
(a)	Bodies Corporate	331	4207107	4202632	24.17	24.17	N.A.	N.A.
(b)	i. Individual shareholders holding nominal share capital up to Rs. 1 lakh.	14399	1566574	1405850	9.00	9.00	N.A.	N.A.
	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	34	1073280	1073280	6.17	6.17	N.A.	N.A.
(c)	Qualified Foreign Investor	–	–	–	–	–	–	–
(d)	Any Other (Non-Resident Individuals)	193	111516	106467	0.64	0.64	N.A.	N.A.
<b>f</b>	<b>Sub-Total (B)(2)</b>	<b>14957</b>	<b>6958477</b>	<b>6788229</b>	<b>39.98</b>	<b>39.98</b>	N.A.	N.A.
	<b>Total Public shareholding</b>	<b>14975</b>	<b>7111079</b>	<b>6936395</b>	<b>40.86</b>	<b>40.86</b>	N.A.	N.A.
	<b>(B)= (B)(1)+(B)(2)</b>							
	<b>TOTAL (A)+(B)</b>	<b>14978</b>	<b>17402938</b>	<b>17228254</b>	<b>100.00</b>	<b>100.00</b>	NIL/N.A.	NIL/N.A.
(C)	<b>Shares held by Custodians and against which Depository Receipts have been issued</b>	–	–	–	–	–	N.A.	N.A.
1	Promoter and Promoter Group	–	–	–	–	–	N.A.	N.A.
2	Public	–	–	–	–	–	N.A.	N.A.
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>14978</b>	<b>17402938</b>	<b>17228254</b>	<b>100.00</b>	<b>100.00</b>	NIL/N.A.	NIL/N.A.

N.A. - Not applicable

ii) Shareholding of Promoters

Shareholders Name	No. of Shares	% of total shares of the Company	% of shares pledged / encumbered to total shares
Rainbow Investments Limited	10,291,599	59.14	Nil
Zensar Technologies Ltd	100	0.00	Nil
STEL Holdings Ltd	160	0.00	Nil
<b>Total</b>	<b>10,291,859</b>	<b>59.14</b>	<b>Nil</b>

**REPORT OF THE DIRECTORS (contd.)**

**iii) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)**

Shareholders Name	No. of Shares	% of total shares of the Company
Rel Utility Engineers Limited	1,319,000	7.58
Aadi Financial Advisors LLP	864,006	4.96
BNK Capital Markets Limited	723,220	4.16
Jayshree Nirman Limited	555,481	3.19
Bhimavarapu Sridhar Reddy	266,640	1.53
Vallabh Roopchand Bhanshali	111,000	0.64
Asian Securities Exchange Pvt. Ltd.	108,420	0.62
Tarra Fund	95,713	0.55
BNK Securities Pvt. Ltd.	90,671	0.52
Suresh Kumar Agrawal	63,684	0.37

**iv) Shareholding of Directors and Key Managerial Personnel : None**

**V. INDEBTEDNESS**

**Indebtedness of the Company including interest outstanding/accrued but not due for payment (₹ in lacs)**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial period</b>				
i) Principal Amount	627.91	75		702.91
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>627.91</b>	<b>75</b>		<b>702.91</b>
<b>Change in Indebtedness during the financial period</b>				
Addition		1.09		1.09
Reduction	265.45	7.50		272.95
<b>Net Change</b>				
<b>Indebtedness at the end of the financial period</b>				
i) Principal Amount	362.46	67.50		429.96
ii) Interest due but not paid		1.09		1.09
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>362.46</b>	<b>68.59</b>		<b>431.05</b>

**REPORT OF THE DIRECTORS (contd.)**

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

(In ₹)

Name	:	Mr. S. Mantha	Mr. V. Mehra	Mr. G. B. Aayeer
Designation	:	Managing Director (Resigned w.e.f. 23.4.2014)	Managing Director (Appointed w.e.f. 27.10.2014)	Chief Financial Officer (Whole-time Director) (Appointed w.e.f. 9.4.2012)
Remuneration	:			
Salaries and allowances		5,36,666	46,45,161	67,12,932
Contribution to Provident Fund		32,200	3,09,677	4,02,776
Contribution to Gratuity Fund		—	—	7,27,260
Contribution to Superannuation Fund		—	—	—
Other benefits/perquisites		4,25,250	1,03,18,605	63,90,657
<b>Total</b>		<b>9,94,116</b>	<b>1,52,73,443</b>	<b>1,42,33,625</b>

**B. Remuneration to other Directors:**

**1. Independent Directors (fees for attending Board / Committee Meetings)**

Sl. No.	Name of the Directors	Sitting Fees Paid / Payable (₹)
1.	Mr. S. Banerjee	110000
2.	Mr. P. K. Mohapatra	135000
3.	Mr. H. Neotia	55000
4.	Mr. B. Raychaudhuri	90000
	<b>Total</b>	<b>390000</b>

**2. Other Non Executive Directors (fees for attending Board / Committee Meetings)**

Sl. No.	Name of the Directors	Sitting Fees Paid / Payable (₹)
1.	Mr. S. Goenka	100000
2.	Mrs. P. Goenka	20000
3.	Mrs. S. Goenka	20000
	<b>Total</b>	<b>140000</b>

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :** None

Kolkata,  
29th May, 2015

By Order of the Board

**G. B. Aayeer**  
Director  
DIN - 00087760



**REPORT OF THE DIRECTORS (contd.)**
**Report on Corporate Social Responsibility (CSR) activities during the Financial Year 2014-2015**

1. A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs:

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

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

The Company's policy on CSR is posted at [www.saregama.com](http://www.saregama.com)

The details of the projects undertaken during the year are stated in Management Discussion and Analysis which forms a part of the Directors' Report.

2. Composition of the CSR Committee

The CSR Committee consists of Mr. S. Banerjee, Mr. P. K. Mohapatra both Independent Directors and Mr. G. B. Aayeer, Whole-time Director as its members.

3. Average net profit for the last three financial years

**Financial Year Net Profit / (Loss) (Rs. In lakhs)**

2011-12	2453
2012-13	2433
2013-14	3150
<b>Total</b>	<b>8036</b>

4. Prescribed CSR Expenditure

CSR Expenditure is Rs. 54 lakhs for the financial year 2014-15.

5. In case the Company has failed etc. Not applicable

6. Responsibility Statement

It is stated that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

Kolkata,  
29th May, 2015

S. Banerjee  
Director  
DIN - 00075243

G. B. Aayeer  
Director  
DIN - 00087760



REPORT OF THE DIRECTORS (contd.)

**Form No. MR - 3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015**

*[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,  
The Members,  
**SAREGAMA INDIA LIMITED**  
33 Jessore Road, Dumdum  
Kolkata - 700028

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SAREGAMA INDIA LIMITED** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the **SAREGAMA INDIA LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015 according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (i) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (ii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (iii) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

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

- (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (b) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- vi) The following laws specifically applicable to the Company in addition to the general laws:-
  - (a) The Indian Copyright Act, 1957
  - (b) The Trademark Act, 1999

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.

**(Not notified during the period under Audit)**

**REPORT OF THE DIRECTORS** (contd.)

- (ii) The Listing Agreements entered into by the Company with **National Stock Exchange of India Ltd., Bombay Stock Exchange Limited and Calcutta Stock Exchange**.

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

- (a) The MCA Portal is yet to remove the cases u/s 224(8) and 292 of the Companies Act, 1956 quashed / dismissed by the Hon'ble Courts.
- (b) As per Schedule 1 under Regulation 12(1) of SEBI (Prohibition of Insider Trading) Regulation, 1992 the Closure of Trading Window was not intimated to Stock Exchanges.
- (c) Fine was given due to delayed Board Meeting as held on 12.06.2014 instead of holding meeting within 30.05.2014 and the gap between one of the Board meeting was not in compliance of section 173 of Companies Act, 2013.

**We Further Report that,**

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

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

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

This Report is to be read with our letter of even date which is annexed "**Annexure A**" and forms an Integral Part of this Report.

**For MR & Associates**  
*Company Secretaries*

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

Place: Kolkata  
Date: 29.05.2015

**REPORT OF THE DIRECTORS (contd.)**

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**“ANNEXURE A”**

**(TO THE SECRETARIAL AUDIT REPORT OF SAREGAMA INDIA LIMITED  
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015)**

To,  
The Members  
**SAREGAMA INDIAN LIMITED**  
33 Jessore Road, Dumdum,  
Kolkata - 700028

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

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

**For MR & Associates**  
*Company Secretaries*

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

Place: Kolkata  
Date: 29.05.2015

## REPORT ON CORPORATE GOVERNANCE

### 1. Company's philosophy on Corporate Governance

Saregama India Limited is committed to good governance practices by conducting its business in a transparent manner and creating long term sustainable shareholder value.

### 2. Board of Directors

#### A. Composition of the Board of Directors as on 31st March, 2015

The Board of Directors of the Company comprised

- 6 Non-Executive Directors (including 3 independent Directors)
- 2 Executive Directors

The names and categories of Directors, the number of Directorships and Committee positions held by them in other companies and also their shareholdings in the Company as on 31st March, 2015 are given below :

Sl. No.	Name of the Directors	Category of Director	No. of Directorships in other Public Limited companies incorporated in India <sup>1</sup>		No. of other Committee Membership(s)/ Chairmanship(s) held <sup>2</sup>		No. of Equity Shares held
			As Chairperson	As Member	As Chairperson	As Member	
1.	Mr. S. Goenka	Non-Executive (Chairman)	6	3	1	2	–
2.	Mrs. P. Goenka	Non-Executive	–	–	–	–	–
3.	Mrs. S. Goenka	Non-Executive	–	–	–	–	–
4.	Mr. S. Banerjee	Non-Executive Independent	–	5	–	–	–
5.	Mr. P. K. Mohapatra	Non-Executive Independent	3	3	1	2	–
6.	Mr. B. Raychaudhuri	Non-Executive Independent	–	7	–	–	–
7.	Mr. V. Mehra <sup>3</sup>	Managing Director	–	–	–	–	–
8.	Mr. G. B. Aayeer	Whole-time Director	–	3	–	–	–

<sup>1</sup> Excluding private limited companies, foreign companies and companies under Section 8 of the Companies Act.

<sup>2</sup> Pursuant to Clause 49 of the Listing Agreement, only two committees viz, Audit and Stakeholders Relationship Committees, have been considered for this purpose.

*Directors namely Mr. S. Goenka, Mrs. P. Goenka and Mrs. S. Goenka are related to each other.*

<sup>3</sup> Appointed with effect from 27.10.2014.

#### B. Attendance of Directors at the Board Meetings during the period 1st April, 2014 to 31st March, 2015 and at the last Annual General Meeting.

Sl. No.	Name of Directors	Number of Meetings attended out of four Board Meetings held during the year	Attendance at the last AGM on 30.7.2014
1.	Mr. S. Goenka	4	No
2.	Mrs. P. Goenka	1	No
3.	Mrs. S. Goenka	1	No
4.	Mr. S. Banerjee	3	No
5.	Mr. P. K. Mohapatra	4	No
6.	Mr. H. Neotia <sup>1</sup>	2	No
7.	Mr. B. Raychaudhuri	4	Yes
8.	Mr. V. Mehra <sup>2</sup>	2	-
9.	Mr. G. B. Aayeer	4	Yes

<sup>1</sup> Resigned with effect from 18.11.2014.

<sup>2</sup> Appointed with effect from 27.10.2014.

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

## REPORT ON CORPORATE GOVERNANCE (contd.)

### C. Number of Board Meetings held and the dates of Board Meetings

Number of Board Meetings held during the Financial Year 2014-2015 - Four.

#### Dates of the Board Meetings

12th June, 2014; 13th August, 2014; 23rd December, 2014 and 26th March, 2015.

### 3. Committee of Directors

#### (i) Composition

The composition of the Committee of Directors as on 31st March, 2015 is as under:

Name of the Directors	Position	Category of Director
Mr. S. Goenka	Chairman	Non-executive Director
Mr. S. Banerjee	Member	Non-executive Independent Director
Mr. P. K. Mohapatra	Member	Non-executive Independent Director
Mr. V. Mehra *	Member	Managing Director
Mr. G. B. Aayeer	Member	Whole-time Director

\* Inducted with effect from 23.12.2014.

#### (ii) Meetings

During the financial year ended 31st March, 2015, the Committee of Directors met three times on 13th August, 2014, 14th November, 2014 and 13th February, 2015 respectively.

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

Sl. No.	Name of the Directors	Number of Meetings attended out of three meetings held during the year
1.	Mr. S. Goenka	2
2.	Mr. S. Banerjee	3
3.	Mr. P. K. Mohapatra	3
4.	Mr. V. Mehra	1
5.	Mr. G. B. Aayeer	3

### 4. Code of Conduct and Ethics for Directors and Senior Management

The Board has adopted a Code of Conduct (the Code) for its Directors and Senior Management, who have affirmed compliance with the Code. A declaration to this effect signed by the Managing Director forms part of this Annual Report. The Code of Conduct for Board Members and Senior Management of the Company is posted on the website of the Company and may be accessed at the link [http://r.saregama.com/resources/pdf/Code\\_of\\_Conduct.pdf](http://r.saregama.com/resources/pdf/Code_of_Conduct.pdf).

The adoption of the Code stems from the fiduciary responsibility which the Directors and the Senior Management have towards the stakeholders of the Company. The Directors and Senior Management acts as trustees in the interest of all stakeholders of the Company by balancing conflicting interest, if any, between stakeholders for optimal benefit.

### 5. Compliance Reports

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

### 6. Audit Committee

#### (i) Terms of Reference

The terms of reference of the Audit Committee include the powers set out in Clause 49 III (C), role as stipulated in Clause 49 III (D) and review of information pursuant to Clause 49 III (E) of the Listing Agreement with the Stock Exchanges and broadly covers inter alia overseeing the Company's financial reporting process, reviewing with the management the financial statements and adequacy of the internal audit function, discussing significant internal audit findings and statutory compliance issues. The terms of reference also fully conform to the requirements of Section 177 of the Companies Act, 2013.

#### (ii) Composition

The composition of the Audit Committee as on 31st March, 2015 is as under :

Name of the Directors	Position	Category of Director
Mr. S. Banerjee	Chairman	Non-executive Independent Director
Mr. P. K. Mohapatra	Member	Non-executive Independent Director
Mr. B. Raychaudhuri *	Member	Non-executive Independent Director

Inducted with effect from 23.12.2014.

The Members of the Audit Committee are eminent persons in the industry and have expertise in finance and accounting.

The Audit Committee acts as a link between the management, external and internal Auditors and the Board of Directors.

## REPORT ON CORPORATE GOVERNANCE (contd.)

### (iii) Meetings

During the financial year ended 31st March, 2015, the Audit Committee met four times on 12th June, 2014, 13th August, 2014, 14th November, 2014 and 13th February, 2015 respectively.

The Managing Director and Chief Financial Officer are invitees to the meetings of the Audit Committee. The Company Secretary acts as the Secretary to the Committee.

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

Sl. No.	Name of the Directors	Number of Meetings attended out of four meetings held during the year
1.	Mr. S. Banerjee	3
2.	Mr. H. Neotia *	2
3.	Mr. P. K. Mohapatra	4
4.	Mr. B. Raychaudhuri	1

\* Resigned with effect from 18.11.2014.

### 7. Nomination and Remuneration Committee

#### (i) Terms of Reference

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

The Nomination and Remuneration Committee frames and implements the remuneration policy of the Company including remuneration payable to executive directors and employees. The Employees Stock Option Scheme and Stock Appreciation Rights Scheme have been introduced for the benefits of the Company's eligible employees as well as to extend the benefits for the eligible employees of Company's subsidiaries.

#### (ii) Composition

The composition of the Nomination and Remuneration Committee as on 31st March, 2015 is as under :

Name of the Directors	Position	Category of Director	Attendance
Mr. S. Banerjee	Chairman	Non-executive Independent Director	1
Mr. P. K. Mohapatra	Member	Non-executive Independent Director	1
Mr. H. Neotia *	Member	Non-executive Independent Director	1
Mr. B. Raychaudhuri **	Member	Non-executive Independent Director	-

\* Resigned with effect from 18.11.2014.

\*\* Inducted with effect from 23.12.2014.

#### (iii) Meetings

During the financial year ended 31st March, 2015, Nomination and Remuneration Committee met once on 13th August, 2014.

### 8. Remuneration to Directors

The Non-Executive Directors do not draw any remuneration from the Company except sitting fees in accordance with Article 93 of the Articles of Association of the Company.

Mr. S. Mantha, erstwhile Managing Director has been paid remuneration upto 23rd April, 2014 as per the Agreement entered with the Company on 9th January, 2013 and approved by the shareholders at the Annual General Meeting held on 26th July, 2013.

Mr. V. Mehra, who has been appointed as Managing Director with effect from 27th October, 2014, has been paid remuneration as per the Agreement entered with the Company on 23rd December, 2014 and is subject to approval of the shareholders at the ensuing Annual General Meeting. At the said meeting the shareholders approval is also sought for authorizing the Board to vary and increase the remuneration, perquisites, incentives and bonus etc. payable to Mr. V. Mehra as Managing Director from time to time as the Board may consider appropriate.

Mr. G. B. Aayeer, the Whole-time Director, has been paid remuneration as per the Agreement entered with the Company on 9th April, 2012 and approved by the shareholders at the Annual General Meeting held on 27th July, 2012. The variation in remuneration of Mr. Aayeer was also approved by the shareholders at the Annual General Meetings held on 26th July, 2013 and 30th July, 2014. The subsequent increment in his remuneration effective 1st July, 2014 has been approved by the Board of Directors at its meeting held on 24th December, 2014 on recommendation of the Nomination and Remuneration Committee and is subject to approval of the shareholders at the ensuing Annual General Meeting.

The remuneration structure of all Managerial personnel comprises salary, allowances, perquisites and contributions to the Provident and other funds.

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

Details of remuneration paid to the Managerial personnel, Directors, both executive and non-executive, for the Financial Year 2014-2015 are given hereunder :

**A. Executive Director** (₹ in thousands)

Name	: Mr. S. Mantha	Mr. V. Mehra	Mr. G. B. Aayeer
Designation	: Managing Director (Resigned w.e.f. 23.4.2014)	Managing Director (Appointed w.e.f. 27.10.2014)	Chief Financial Officer (Whole-time Director) (Appointed w.e.f. 9.4.2012)
Remuneration	:		
Salaries and allowances	537	4645	6713
Contribution to Provident Fund	32	310	403
Contribution to Gratuity Fund	-	-	727
Contribution to Superannuation Fund	-	-	-
Other benefits/perquisites	425	10318	6391
<b>Total</b>	<b>994</b>	<b>15273</b>	<b>14234</b>

**Note:**

Service Contract	:	With effect from 1st January, 2013.	For a period of 5 years with effect from 27th October, 2014.	For a period of 5 years with effect from 9th April, 2012.
Notice period	:	(i) Not less than 90 days' notice or 90 days' basic salary in lieu of notice. (ii) Termination of Agreement by the Company by giving one month notice or one month's Basic salary in lieu of notice.	(i) Not less than three months' notice or three months; basic salary in lieu of notice (ii) Termination of Agreement by the Company upon giving shorter notice, by payment of basic salary in lieu of notice	(i) Not less than 120 days' notice or 120 days' basic salary in lieu of notice. (ii) Termination of Agreement by the Company by giving one month notice or one month's Basic salary in lieu of notice.
Severance Fees	:	Nil	Nil	Nil
Stock Option details	:	Pursuant to approved Saregama Employee Stock Option Scheme 2013 (Scheme), the Compensation Committee of the Board of Directors has granted shares / options during 2013-14 to certain eligible employees and outstanding as on 31st March, 2015 at the following exercise price, being prevailing market price as on date of joining / revision of salary of respective employee :		

Name of eligible employees	No. of options/shares	Exercise price per share (₹)
Mr. G. B. Aayeer, Chief Financial Officer and Director	10,000	69.85

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

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

Exercise period is 10 years from the vesting date. Exercise of options by the option holders shall entail issuance of equity shares by the Company on compliance / completion of related formalities on the basis of 1:1.

Stock Appreciation Rights	:	Pursuant to Stock Appreciation Rights Scheme 2014, the Nomination and Remuneration Committee of the Board of Directors has granted 2,00,000 Stock Appreciation Rights (SAR) (being the difference in the share price between the date of grant and the date of exercise) to the Managing Director on October 27, 2014 (being the date of grant) with the following performance linked vesting schedule :-
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- After one year from the date of grant : 66%
- After two years from the date of grant : 34%

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

**B. Non-executive Directors**

Sl. No.	Name of the Directors	Sitting Fees Paid / Payable (₹)
1.	Mr. S. Goenka	100000
2.	Mrs. P. Goenka	20000
3.	Mrs. S. Goenka	20000
4.	Mr. S. Banerjee	110000
5.	Mr. P. K. Mohapatra	135000
6.	Mr. H. Neotia	55000
7.	Mr. B. Raychaudhuri	90000
	<b>Total</b>	<b>530000</b>

**9. Stakeholders Relationship Committee**

**(i) Composition**

In line with the Listing Agreement, the Company has a Stakeholders Relationship Committee of the Board of Directors under the Chairmanship of Mr. S. Goenka, Non-executive Director. The Committee is responsible for attending to the grievances of the shareholders.



## REPORT ON CORPORATE GOVERNANCE (contd.)

The following is the composition of the Stakeholders Relationship Committee as on 31st March, 2015 is as under:

Name of the Directors	Position	Category
Mr. S. Goenka	Chairman	Non-executive Director
Mr. P. K. Mohapatra	Member	Non-executive Independent Director
Mr. S. Banerjee	Member	Non-executive Independent Director

Any grievances / complaints from shareholders are placed regularly at the Meeting of the Board of Directors. During the year ended 31st March, 2015 three Meetings of the Shareholders Grievance Committee were held on 13th August, 2014 and 26th March, 2015 respectively.

The attendance of the Shareholders Grievance Committee Members at the said meetings are detailed below :-

Sl. No.	Name of the Directors	Number of Meetings attended out of three meetings held during the year
1.	Mr. S. Goenka	2
2.	Mr. P. K. Mohapatra	2
3.	Mr. S. Banerjee	2

Mr. Tony Paul, GM-Legal & Company Secretary is the 'Compliance Officer'.

### Status of Shareholders' Complaints :

Complaints pending as on 1st April, 2014	Nil
Number of complaints	
– received during the year	10
– resolved during the year	10
Complaints pending as on 31st March, 2015	Nil

“Share Transfer Sub-Committee” constituted by the Board of Directors is responsible for share transfers, transmissions and allied matters.

The composition of Share Transfer Sub-Committee as on 31st March, 2015 is as under:

Mr. V. Mehra, Managing Director

Mr. G. B. Aayeer, Chief Financial Officer

Mr. Tony Paul, GM-Legal & Company Secretary.

The Share Transfer Sub-Committee held 15 meetings during the financial year ended 31st March, 2015.

## 10. Corporate Social Responsibility (CSR) Committee

The Board of Directors of the Company has constituted a Corporate Social Responsibility Committee in compliance with Section 135 of the Companies Act, 2013 in order to formulate and recommend to the Board a CSR Policy indicating the activities to be undertaken by the Company and to discharge such other responsibilities as required under the Act and the Rules made thereunder. The Committee consisting of Mr. S. Banerjee, Mr. P. K. Mohapatra and Mr. G. B. Aayeer as its members. During the year, the Committee met once on 26th March, 2015. The details of attendance is as under :

### Name of the Directors Position Category of Director Attendance

Mr. S. Banerjee Chairman Non-executive Independent Director 1

Mr. P. K. Mohapatra Member Non-executive Independent Director 1

Mr. G. B. Aayeer Member Whole-time Director 1

Mr. Tony Paul, GM-Legal & Company Secretary acts as a Secretary to the Committee.

## 11. Independent Directors Meetings

During 2014-15, the Independent Directors viz. Messrs S. Banerjee, P. K. Mohapatra and B. Raychaudhuri met on 23rd December, 2014 in order to, inter alia, review the performance of non-independent directors including that of the Chairman taking into account the views of the executive and non executive directors; assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties and other related matters. All the three Independent Directors attended the said meeting.

The details of the familiarisation programme is disclosed on the Company's website at [www.saregama.com](http://www.saregama.com)

## 12. General Body Meetings

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

Date	Type	Venue	Time	Special Resolutions Passed
30th July, 2014	67th AGM	Mohit Moitra Mancha, Kolkata.	10.00 AM	Yes
26th July, 2013	66th AGM	Mohit Moitra Mancha, Kolkata.	10.00 AM	Yes
27th July, 2012	65th AGM	Madhusudan Mancha, Kolkata.	10.00 AM	Yes

### Note :

There was no special resolution put through postal ballot in the last Annual General Meeting (AGM) held on 30th July, 2014. As on date no resolution is proposed to be conducted through postal ballot in the ensuing AGM.

- (ii) Disclosure regarding appointment or reappointment of Directors in accordance with Clause 49.VIII.E.1 of the Listing Agreement has been provided in the Notice convening the Annual General Meeting of the Company.

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

**11. Disclosures**

- (i) Details of related party transactions during the year have been set out under Note 39 of the Annual Accounts. These are not having any potential conflict with the interests of the Company at large.
- (ii) The Company has complied with all the requirements of the Listing Agreement with the Stock Exchanges as well as regulations and guidelines of SEBI.

There has been no non-compliance, penalties or strictures imposed by SEBI, Stock Exchanges or any other statutory authority on matters relating to capital markets during the last three years ended on 31st March 2015 other than the observations made in the annexed Secretarial Audit Report.

- (iii) 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 (31.03.14 - 5,290) equity shares (relating to cases under litigation / pending clearance from concerned authorities) are in abeyance as on 31st March, 2015.
- (iv) Laid down procedures for assessment and minimisation of risk are being reviewed and updated periodically by the Board of Directors.
- (v) All mandatory requirements have been appropriately complied with and the non mandatory requirements are dealt with at the end of the Report.
- (vi) Certificate from the Whole-time Director cum Chief Financial Officer in terms of Clause 49.IX of the Listing Agreement with the Stock Exchanges for the financial year ended 31st March, 2015 was placed before the Board of Directors of the Company at its meeting held on 29th May, 2015.

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

- (vii) In compliance with the SEBI regulation on prevention of insider trading, a comprehensive code of conduct for its Directors and Senior Management Officers is being placed by the Company. The code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of the Company. The code clearly specifies, among other matters, that Directors and specified employees of the Company can trade in the shares of the Company only during 'Trading Window Open Period'. The trading window is being closed during the time of declaration of results, dividend and material events, as per the Code.

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

Mr. Tony Paul, GM-Legal & Company Secretary, is the Compliance Officer who also acts as the Chief Investor Relations Officer.

- (viii) As required under the Act and Clause 49 of the Listing Agreement, the Company has formulated a Whistle Blower Policy for its Directors and permanent employees. Under the Policy, instances of any irregularity, unethical practice and / or misconduct can be reported to the management for appropriate action.
- (ix) The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 covering all employees of the Company. Internal Complaints Committee set up for the purpose did not receive any complaints for redressal during the year.

**14. Subsidiary Companies**

Of the subsidiaries of the Company, the unlisted Indian subsidiaries (Kolkata Metro Networks Limited and Open Media Network Pvt. Ltd.) as on 31st March, 2015 does not come under the purview of "material non-listed Indian subsidiary" as stipulated in Clause 49 of the Listing Agreement.

**15. Means of Communication**

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

**REPORT ON CORPORATE GOVERNANCE (contd.)**
**16. General Shareholder Information**

- a) **AGM : Date, Time and Venue** : 31st July, 2015 at 10.00 A.M.  
at Mohit Moitra Mancha,  
34/1, Raja Manindra Road, Paikpara,  
Kolkata 700 037
- b) **Financial Year** : 1st April to 31st March
- c) **Dates of book closure** : From 24th July, 2015 to 31st July, 2015 (both days inclusive) as annual closure for the Annual General Meeting and payment of dividend, if declared.
- d) **Dividend Payment Date** : Dividend of ₹ 1.50 per equity share of ₹ 10/- each for the year ended 31st March, 2015 as recommended by the Board of Directors, if declared at the ensuing Annual General Meeting to be held on 31st July, 2015, will be paid within the stipulated time in compliance with the related / applicable statute.
- e) **Listing on Stock Exchanges** : The Calcutta Stock Exchange Limited  
7, Lyons Range, Kolkata - 700 001.  
  
BSE Limited  
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.  
  
National Stock Exchange of India Limited  
'Exchange Plaza', C-1, Block G, Bandra-Kurla Complex,  
Bandra (East), Mumbai - 400 051.

The Company has paid Listing fees upto the year 2015-2016 to all the Stock Exchanges.

**f) Stock Code :**

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

**g) Market Price Data - As quoted in NSE and BSE and reference of Saregama in comparison with BSE Sensex :**

Month	Saregama Share prices with NSE		Saregama Share prices with BSE		BSE Sensex	
	High (₹)	Low (₹)	High (₹)	Low (₹)	High	Low
April, 2014	74.85	64.20	74.15	64.20	22939.31	22197.51
May, 2014	84.45	64.10	84.50	64.30	25375.63	22277.04
June, 2014	126.30	74.10	126.15	73.90	25725.12	24270.20
July, 2014	127.35	103.55	126.95	103.25	26300.17	24892.00
August, 2014	184.50	107.45	181.45	107.50	26674.38	25232.82
September, 2014	182.00	135.50	181.00	137.00	27354.99	26220.49
October, 2014	179.15	136.50	177.80	136.70	27894.32	25910.77
November, 2014	183.00	145.15	183.00	145.05	28822.37	27739.56
December, 2014	159.90	135.95	160.90	137.10	28809.64	26469.42
January, 2015	181.25	140.00	180.00	140.55	29844.16	26776.12
February, 2015	169.00	139.85	168.95	140.00	29560.32	28044.49
March, 2015	148.80	114.95	148.00	116.00	30024.74	27248.45

**REPORT ON CORPORATE GOVERNANCE (contd.)**
**h) Shareholding pattern as on 31st March, 2015 :**

Sl. No.	Category	No. of Equity shares held	Percentage %
1	Promoters	10291859	59.14
2	Mutual Funds and UTI	35475	0.20
3	Banks, Financial Institutions, Insurance Companies	3950	0.02
4	Foreign Institutional Investors	113151	0.65
5	Private Corporate Bodies	4207107	24.18
6	Indian Public	2639880	15.17
7	NRIs	111516	0.64
8	Any other	Nil	Nil
	Total	17402938	100.00

**i) Distribution of Holdings as on 31st March, 2015 :**

Category	No. of Shareholders	Percentage %	No. of Shares	Percentage %
Upto 500	14348	95.79	790411	4.54
501 - 1000	292	1.95	234307	1.35
1001 - 2000	150	1.00	234730	1.35
2001 - 3000	45	0.30	120145	0.69
3001 - 4000	29	0.19	104215	0.60
4001 - 5000	24	0.16	112704	0.65
5001 - 10000	31	0.21	235783	1.36
10001 - 50000	48	0.33	1135330	6.52
50001 - 100000	3	0.02	216384	1.24
100001 & above	8	0.05	14218929	81.70
Total	14978	100.00	17402938	100.00

**j) Registrar and Share Transfer Agents :**

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

**k) Share transfer system :**

A Share Transfer Sub-Committee is constituted to approve the transfers and transmissions of shares and allied matters. MCS Share Transfer Agent Limited the Registrars and Share Transfer Agents looks after the share transfers (for both physical and dematerialised shares) and redressal of investor complaints. In addition, the GM-Legal & Company Secretary oversees the work of MCS Share Transfer Agent Limited to ensure that the queries of the investors are replied to within a reasonable period and that share transfers and transmissions are registered at least every fortnight.

The Company's Registrars, MCS Share Transfer Agent Limited, have adequate infrastructure to serve the shareholders and process the share transfers. In compliance with the Listing Agreement every six months the share processing system is audited by a Practising Company Secretary and a Certificate to that effect is issued ensuring that shares are transferred within the period specified under Clause 47(c) of the Listing Agreement.

## REPORT ON CORPORATE GOVERNANCE (contd.)

### l) Dematerialisation of shares and liquidity :

With effect from 29th May, 2000, the Company's scrip forms part of the SEBI's compulsory demat segment for all investors. To facilitate the investors in having an easy access to the Demat System, the Company has signed up with both the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The connectivity has been established through the Company's Registrars, MCS Limited. As at 31st March, 2015, a total of 1,72,28,254 Equity Shares of the Company, constituting 99% of the paid-up share capital, stand dematerialised.

### m) Outstanding GDR/ADRs/Warrants or any Convertible Instruments, Conversion date and likely impact on Equity :

None.

### o) Plant location :

'The Studios @ Dum Dum'  
33, Jessore Road, Kolkata - 700 028

### p) Address for correspondence :

**Registered Office** : 'The Studios @ Dum Dum', 33, Jessore Road, Kolkata - 700 028  
**Contact Person** : Mr. Tony Paul, *GM-Legal & Company Secretary*  
 Telephone: (033) 2551 2984, 4773  
 Fax No. : (033) 2550 0817  
 Email: co.sec@saregama.com

### STATUS OF ADOPTION OF THE NON MANDATORY REQUIREMENTS

The applicable Non-Mandatory Requirements will be implemented by the Company as and when required and / or deemed necessary by the Board.

Kolkata  
29th June, 2015

By Order of the Board  
Tony Paul  
*GM - Legal & Company Secretary*



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

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**Declaration by the Managing Director under  
Clause 49II(E)(2) of the Listing Agreement**

I, Vikram Mehra, Managing Director of Saregama India Limited declare that all the Members of the Board of Directors and Senior Management personnel have, for the year ended 31st March, 2015, affirmed compliance with the Code of Conduct laid down by the Board of Directors in terms of the Listing Agreement entered with the Stock Exchanges.

Kolkata  
29th May, 2015

Vikram Mehra  
Managing Director  
DIN - 03556680

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**AUDITOR'S CERTIFICATE**

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**Auditor's Certificate regarding the compliance of Corporate Governance**

**To the Members of  
Saregama India limited**

We have examined the compliance of conditions of Corporate Governance by Saregama India Limited for the year ended 31st March, 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliances with the conditions of the Corporate Governance as stipulated in said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement except the attendance of the Chairman of the Audit Committee in the last Annual General Meeting as mentioned in Note on paragraph 2B of the Corporate Governance Report.

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

Place : Kolkata  
Date : 29th May, 2015

For Vidya & Co,  
Firm Registration No. 308022E  
Chartered Accountants  
Jitendra Nagar  
Partner  
Membership No. 055659

## INDEPENDENT AUDITORS' REPORT

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### To the Members of Saregama India Limited

#### Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of Saregama India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its profit and its cash flows for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

9. As required by 'the Companies (Auditor's Report) Order, 2015', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

**INDEPENDENT AUDITORS' REPORT (contd.)**

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10. As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the Directors as on March 31, 2015 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
  - i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2015, on its financial position in its standalone financial statements - Refer Note 32.
  - ii. There were no material foreseeable losses on the Company's long-term contracts as at March 31, 2015. The Company did not have any derivative contracts as at March 31, 2015.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2015.

Kolkata  
29th May, 2015

For Price Waterhouse  
Firm Registration No. : 301112 E  
*Chartered Accountants*

(Pinaki Chowdhury)  
*Partner*  
Membership No.057572



## ANNEXURE TO INDEPENDENT AUDITORS' REPORT

### Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Saregama India Limited on the standalone financial statements as of and for the year ended March 31, 2015

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
  - (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- ii. (a) The inventory (excluding stocks with third parties) has been physically verified by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
  - (b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a) and (iii)(b) of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of goods and services. The Company has not purchased any inventory item during the year. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of income tax, sales tax and service tax, though there has been a slight delay in few cases, and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, wealth tax, duty of customs, duty of excise, value added tax and other material statutory dues, as applicable, with the appropriate authorities.
  - (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of wealth-tax, service-tax, value added tax which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, duty of customs, duty of excise as at March 31, 2015 which have not been deposited on account of a dispute, are as follows

Name of the Statute	Nature of Dues	Amount (₹ in Lacs.)	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Excise Duty	88.08	1996-97 to 1998-99	Customs, Excise & Service Tax Appellate Tribunal
Central Sales Tax Act, 1956	Sales Tax	5.35	2005-06 2006-07 2008-09	Joint Commissioner
Central Sales Tax Act, 1956	Sales Tax	2.21	1990-91 2003-04	Deputy Commissioner
Central Sales Tax Act, 1956	Sales Tax	181.48	1999-00 2006-07 2009-10	Additional Commissioner

**ANNEXURE TO INDEPENDENT AUDITORS' REPORT (contd.)**

Name of the Statute	Nature of Dues	Amount (₹ in Lacs.)	Period to which the amount relates	Forum where the dispute is pending
Central Sales Tax Act, 1956	Sales Tax	146.39	2004-05	Revision Board
Central Sales Tax Act, 1956	Sales Tax	2.43	1998-99 2008-09	Assistant Commissioner of Commercial / sales taxes
West Bengal Sales Tax Act, 1994	Sales Tax	181.83`	1989-90 1994-95 2000-01 2001-02 2003-04	Deputy Commissioner
West Bengal Sales Tax Act, 1994	Sales Tax	22.51	2004-05	Additional Commissioner
Delhi Sales Tax Act, 1975	Sales Tax	1.55	1991-92	Deputy Commissioner of Commercial Taxes
Tamil Nadu General Sales Tax Act, 1959	Sales Tax	6.75	1986-87 to 1991-92	Tamil Nadu Taxation Special Tribunal
Andhra Pradesh General Sales Tax Act, 1957	Sales Tax	3.28	2004-05	Deputy Commissioner
Kerala General Sales Tax Act, 1963	Sales Tax	0.35	2002-03	Deputy Commissioner of Commercial Taxes
Uttar Pradesh Trade Tax Act, 1948	Sales Tax	2.01	2005-06 2006-07	Joint Commissioner
Customs Act, 1962	Custom duty	52.02	2003-04 to 2007-08	Commissioner of Customs
Income Tax Act, 1961	Income tax	73.82	2000-01	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income tax	977.13	2006-07 2007-08 2008-09 2010-11 2011-12	Commissioner of Income tax Appeal
Income Tax Act, 1961	Income tax	7.86	2010-11 2011-12 2012-13 2013-14 2014-15	Deputy Commissioner

- c) There are no amounts required to be transferred by the Company to the Investor Education and Protection Fund in accordance with the provisions of the Companies Act, 1956 and the rules made thereunder.
- viii. The Company has no accumulated losses as at the end of the financial year and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- ix. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders, as applicable, as at the balance sheet date.

**ANNEXURE TO INDEPENDENT AUDITORS' REPORT (contd.)**

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- x. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of Clause 3(x) of the Order are not applicable to the Company.
- xi. In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
- xii. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

Kolkata  
29th May, 2015

For Price Waterhouse  
Firm Registration No. : 301112 E  
Chartered Accountants  
(Pinaki Chowdhury)  
Partner  
Membership No.057572



# ANNUAL REPORT 2014-15

## BALANCE SHEET AS AT 31ST MARCH 2015

(₹ in Lacs)

	Note	As at 31st March, 2015	As at 31st March, 2014
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	1,740.29	1,740.29
Reserves and Surplus	3	16,901.76	15,771.63
<b>Non Current Liabilities</b>			
Long Term Borrowings	4	—	113.03
Other Long Term Liabilities	5	—	18.01
Long Term Provisions	6	141.06	114.53
<b>Current Liabilities</b>			
Short Term Borrowings	7	429.96	541.16
Trade Payables	8	2,642.45	2,492.95
Other Current Liabilities	9	1,568.33	1,481.23
Short Term Provisions	10	2,095.65	1,670.06
		<b>25,519.50</b>	<b>23,942.89</b>
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Fixed Assets	11		
Tangible Assets		7,567.89	7,980.04
Intangible Assets		762.02	957.65
Non-Current Investments	12	4,801.25	5,020.64
Deferred Tax Assets (net)	13	758.89	668.03
Long-term Loans and Advances	14	282.68	253.09
Other Non Current Assets	15	2.00	2.25
<b>Current Assets</b>			
Inventories	16	479.87	205.20
Trade Receivables	17	5,805.28	3,919.30
Cash and Bank Balances	18	393.43	918.45
Short-term Loans and Advances	19	4,666.19	4,018.24
Other Current Assets	20	—	—
		<b>25,519.50</b>	<b>23,942.89</b>

The Notes are an integral part of these Financial Statements

This is the Balance Sheet referred to in our report of even date

For Price Waterhouse  
Firm Registration No. 301112 E  
Chartered Accountants  
(Pinaki Chowdhury)

Kolkata,  
29th May, 2015

Partner  
Membership No. - 057572

On behalf of the Board

T. Paul  
Company Secretary

V. Mehra  
Managing Director  
DIN - 03556680

G. B. Aayeer  
Chief Financial Officer & Director  
DIN - 00087760

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2015

(₹ in Lacs)

	Note	Year ended 31st March, 2015	Year ended 31st March, 2014
Revenue from Operations (Gross)	21	18,188.61	16,771.72
Less: Excise Duty		0.08	0.19
Revenue from Operations (Net)		18,188.53	16,771.53
Other Income	22	705.77	597.01
<b>Total Revenue</b>		<b>18,894.30</b>	<b>17,368.54</b>
Expenses:			
Cost of Materials Consumed and Contract Manufacturing Charges	23	203.52	247.56
Cost of Production of Television Serials and Portal	24	7,059.48	5,178.11
Changes in Inventories of Finished Goods [(Increase)/Decrease]	25	(274.67)	471.61
Employee Benefits Expense	26	2,977.91	2,981.27
Finance Costs	27	51.26	278.38
Depreciation and Amortisation Expense	28	538.87	280.79
Other Expenses	29	6,541.13	5,319.42
<b>Total Expenses</b>		<b>17,097.50</b>	<b>14,757.14</b>
Profit Before Exceptional Items and Tax		1,796.80	2,611.40
Exceptional Items	30	261.39	885.63
<b>Profit Before Tax</b>		<b>1,535.41</b>	<b>1,725.77</b>
Tax Expenses :			
Current Tax		—	635.10
Deferred Tax Charge/(Credit)		(33.10)	(118.10)
<b>Profit for the Year</b>		<b>1,568.51</b>	<b>1,208.77</b>
Earnings per Equity Share:	34.2		
[ Nominal Value per share ₹ 10/-(Previous Year- ₹ 10/-) ]			
Basic (₹)		9.01	6.95
Diluted (₹)		9.01	6.95

The Notes are an integral part of these Financial Statements

This is the Statement of Profit and Loss referred to in our report of even date

For Price Waterhouse  
Firm Registration No. 301112 E  
Chartered Accountants  
(Pinaki Chowdhury)  
Partner  
Membership No. - 057572

Kolkata,  
29th May, 2015

On behalf of the Board

T. Paul  
Company Secretary

V. Mehra  
Managing Director  
DIN - 03556680

G. B. Aayeer  
Chief Financial Officer & Director  
DIN - 00087760

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015**

**1. Significant Accounting Policies**

**(a) Basis of the Preparation of the Financial Statements**

These Financial Statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis, except for certain Tangible Fixed Assets which are being carried at revalued amounts (as indicated in Notes 11.1, 11.2, 11.3 and 11.4). Pursuant to Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, till the standards of Accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements are prepared to comply in all material aspects, with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules 2006 as amended] and the other relevant provisions of the Companies Act, 2013.

All assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products / service and the time between the acquisition of assets for processing / providing the services and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current, non current classification of assets and liabilities.

**(b) Use of Estimates**

The preparation of the financial statements in conformity with the generally accepted accounting principles in India requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities as at the balance sheet date, the reported amount of revenue and expenses for the period and disclosure of contingent liability as at the balance sheet date. The estimates and assumptions used in the financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results could differ from estimates.

**(c) Fixed Assets**

**(i) Tangible Assets**

Tangible Fixed Assets are stated at their original cost less depreciation, where applicable, other than revalued items which are stated at valuation less depreciation, where applicable, as referred to in Notes 11.1, 11.2, 11.3 and 11.4.

Impairment loss is recognised wherever the carrying amount of tangible fixed assets of a cash generating unit exceeds its recoverable amount ( i.e. higher of net selling price and value in use).

**(ii) Intangible Assets**

The cost incurred for producing / purchasing feature films wherein future economic benefits are established to accrue over medium to long term period are recognised as intangible asset in the year of release at 50% of the cost of making the film including negatives or purchase cost.

Outright acquisition of music copyrights wherein future economic benefits are established are capitalised.

Softwares are capitalised where it is expected to provide future enduring economic benefits. Capitalisation costs includes license fees and cost of implementation / system integration services. The costs are capitalised in the year in which the relevant software is implemented for use.

Impairment loss is recognised wherever the carrying amount of intangible fixed assets of a cash generating unit exceeds its recoverable amount ( i.e. higher of net selling price and value in use).

**(d) Depreciation / Amortisation**

Depreciation on original cost and amount added on revaluation of tangible fixed assets is provided on a pro rata basis on the straight line method based on the estimated useful lives of the asset as prescribed under Schedule II to the Companies Act, 2013 which is in line with the technical evaluation carried out during the year by the Company's expert. (Also Refer Note 28.1)

Feature Films / Music Copyrights are amortised on straight line basis over a period of 1-10 years. The Company reviews the expected future revenue potential at the end of each accounting period for appropriate adjustments, where required.

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

**(e) Investments**

Long term investments are stated at cost / cost less write down. Provision for diminution is made to recognise a decline other than temporary in the carrying amount of long term investments as determined by the Board of Directors on periodical review.

Current investments are carried at lower of cost and fair value.

**(f) Inventories**

Inventories are valued at lower of cost and net realisable value.

**(i) Raw Materials and Finished Goods**

The cost is determined on specific identification / weighted average basis, as considered appropriate by the Company, and includes, where applicable, appropriate share of overheads.

Provision is made for obsolete / slow moving / defective stocks, where necessary.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)**
**(ii) Television Serials**

Television serials under production are included under 'Work-in-Progress' at cost or under.

Untelecasted television serials are stated at lower of cost and net expected revenue and included under 'Finished Goods'.

**(g) Employee Benefits**

Short-term Employee Benefits (i.e. benefits payable within one year) are recognised in the period in which employee services are rendered. Contribution towards superannuation at rates specified in related approved scheme covering eligible employees opting for such contribution is recognised as expense and funded.

Liability towards gratuity (defined benefit), covering eligible employees, is provided on the basis of year-end actuarial valuation using Projected Unit Credit Method. Gratuity is funded.

Accrued liability towards leave encashment benefits (defined benefit), covering eligible employees, evaluated on the basis of year-end actuarial valuation using Projected Unit Credit Method is recognised as charge.

Contribution towards provident fund to Government administered provident fund is recognised as expense.

Actuarial gains / losses arising in Defined Benefit Plans are recognised immediately in the Statement of Profit and Loss as income / expense for the year in which they occur.

Termination benefits represent compensation towards Voluntary Retirement Scheme which is expensed on accrual of liability.

**(h) Sales and Licence Fees**

Revenue from sales is recognised on transfer of significant risks and rewards of ownership to customers based on agreement with the customers. Licence Fees represent income from music rights.

Revenue relating to television serials is recognised on the basis of telecast / delivery of content, as applicable.

**(i) Royalty**

Minimum Guarantee Royalty is recognised as expense within the license period or ten years, whichever is earlier.

Royalty on sales, other than physical sales, is provided on the basis of management's best estimate of the expenditure required to settle the obligation.

Other royalty payments are charged at agreed rates on related sales.

**(j) Foreign Currency Transactions**

Transactions in foreign currency are accounted for at the exchange rates prevailing on the date of transactions. Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at year-end exchange rates. The resultant exchange differences arising from settlement of foreign currency transaction and from year-end restatement are recognised in the Statement of Profit and Loss.

**(k) Borrowing Cost**

Borrowing costs, if any, attributable to the acquisition and construction of qualifying assets are added to the cost upto the date when such assets are ready for their intended use. Other borrowing costs are recognised as expense in the period in which these are incurred.

**(l) Taxes on Income**

Current tax is provided as the amount of tax payable in respect of taxable income for the year measured using the applicable tax rules and laws.

Deferred tax is provided on timing differences between taxable income and accounting income measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets are recognised only if there is a virtual / reasonable certainty, as applicable, in keeping with Accounting Standard 22 on 'Accounting for Taxes on Income' that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are reviewed for the appropriateness of their respective carrying amount at each Balance Sheet date.

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

**(m) Provisions and Contingent Liabilities**

Provisions are recognised when there is a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation as at the Balance Sheet date and are not discounted to its present value.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)

(₹ in Lacs)

	As at 31st March, 2015	As at 31st March, 2014
<b>2. SHARE CAPITAL</b>		
<b>Authorised</b>		
2,50,00,000 (31.03.2014:2,50,00,000) Equity Shares of ₹10/- each	2,500.00	2,500.00
<b>Issued</b>		
1,74,02,938 (31.03.2014:1,74,02,938) Equity Shares of ₹10/- each	1,740.29	1,740.29
<b>Subscribed and Paid Up</b>		
1,74,02,938 (31.03.2014:1,74,02,938) Equity Shares of ₹10/- each fully paid up	1,740.29	1,740.29
<b>TOTAL</b>	<b>1,740.29</b>	<b>1,740.29</b>

2.1 Out of 53,38,628 equity shares issued for cash at a premium of ₹35/- (issue price- ₹45/-) pursuant to the Rights Issue in 2005, allotment of 5,290 (31.03.2014- 5,290) equity shares (relating to cases under litigation / pending clearance from the concerned authorities) are kept in abeyance as on 31st March, 2015.

2.2 Number of Equity Shares outstanding as at the beginning and as at the end of the year

	As at 31st March, 2015		As at 31st March, 2014	
	Number	Amount (₹ Lacs)	Number	Amount (₹ Lacs)
Balance as at the beginning of the year	17,402,938	1,740.29	17,402,938	1,740.29
Balance as at the end of the year	17,402,938	1,740.29	17,402,938	1,740.29

2.3 Rights, preferences and restrictions attached to shares

The Company has only one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting except in case of interim dividend.

In the event of liquidation of the Company, the holder of equity shares are eligible to receive remaining assets of the Company in proportion to their shareholding.

2.4 (i) Shares held by holding company

Name of the Shareholder	As at 31st March, 2015		As at 31st March, 2014	
	No. of shares held	Amount (₹ Lacs)	No. of shares held	Amount (₹ Lacs)
Rainbow Investments Limited	10,291,599	1029.16	—	—

(ii) The Company became a subsidiary of Rainbow Investments Limited (RIL) pursuant to a Scheme of Amalgamation and Arrangement between Rainbow Investments Limited and certain companies and their respective shareholders as sanctioned by the Hon'ble High Court at Calcutta vide Order passed during the current year. The certified copy of aforesaid Order has been filed with the Registered of Companies on July 8, 2014 (effective date of the aforesaid Scheme).

2.5 Details of the Shares held by Shareholders holding more than 5 % of the aggregate shares in the Company:

Name of the Shareholder	As at 31st March, 2015		As at 31st March, 2014	
	No. of shares held	Holding Percentage	No. of shares held	Holding Percentage
Rainbow Investments Limited	10,291,599	59.14%	—	—
Adorn Investments Limited	—	—	16,19,092	9.30%
Adapt Investments Limited	—	—	11,65,780	6.70%
Universal Industrial Fund Limited	—	—	56,34,291	32.38%
Rel Utility Engineers Limited	13,19,000	7.58%	13,19,000	7.58%



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)**
**2.6 Stock Option Schemes**

Pursuant to approved Saregama Employee Stock Option Scheme 2013 (Scheme), the Compensation Committee of the Board of Directors has granted shares / options during 2013-14 to certain eligible employees and outstanding as on 31st March, 2015 at the following exercise price, being prevailing market price as on date of joining / revision of salary of respective employee :

Name of eligible employees	No. of options/shares	Exercise price per share (₹)
Mr. G. B. Aayeer, Chief Financial Officer and Director	10,000	69.85
Mr. Avinash Mudaliar, Head Internet Products & Services	10,000	53.95

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

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

Exercise period is 10 years from the vesting date. Exercise of options by the option holders shall entail issuance of equity shares by the Company on compliance / completion of related formalities on the basis of 1:1.

**2.7 Stock Appreciation Rights**

Pursuant to Stock Appreciation Rights Scheme 2014, the Nomination and Remuneration Committee of the Board of Directors has granted 2,00,000 Stock Appreciation Rights (SAR) (being the difference in the share price between the date of grant and the date of exercise) to the Managing Director on October 27, 2014 (being the date of grant) with the following performance linked vesting schedule :-

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

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

(₹ in Lacs)

**3. RESERVES AND SURPLUS**
**SECURITIES PREMIUM ACCOUNT**

	As at 31st March, 2015	As at 31st March, 2014
Balance as per Last Account	9,079.10	9,079.10
<b>REVALUATION RESERVE</b>		
Balance as at the beginning of the year	3,047.27	3,049.84
Less: Transferred to Statement of Profit and Loss (Refer Note 11.4)	—	2.57
Less: Transferred to General Reserve (Refer Note 3.1 and 11.4)	25.74	—
Balance as at the end of the year	3,021.53	3,047.27
<b>GENERAL RESERVE</b>		
Balance as at the beginning of the year	778.73	718.29
Add: Transferred from Revaluation Reserve( Refer Note 3.1 and 11.4 )	25.74	—
Add: Transferred from Surplus in the Statement of Profit and Loss	—	60.44
Less: Adjustment consequent to revision of useful lives pursuant to Schedule II to the Companies Act, 2013 (Also refer note 28.1)	124.20	—
Balance as at the end of the year	680.27	778.73
<b>SURPLUS IN THE STATEMENT OF PROFIT AND LOSS</b>		
Balance as at the beginning of the year	2,866.53	2,023.60
Add: Profit for the year	1,568.51	1,208.77
<b>Less: Appropriations</b>		
Proposed dividend @ ₹ 1.50 per share ( 31.03.2014- ₹ 1.50 per share )	261.04	261.04
Dividend distribution tax on proposed dividend	53.14	44.36
Transfer to General Reserve	—	60.44
Balance as at the end of the year	4,120.86	2,866.53
<b>TOTAL</b>	<b>16,901.76</b>	<b>15,771.63</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)**

(₹ in Lacs)

	As at 31st March, 2015	As at 31st March, 2014
<b>4. LONG TERM BORROWINGS</b>		
Secured		
Term Loan:		
Vehicle Loans from ICICI Bank Limited	—	161.75
Less: Current maturities of Long Term Debt (referred to in Note 9)	—	48.72
<b>TOTAL</b>	—	113.03

**4.1 Term Loans for Vehicle :-**

Nature of Security

Vehicle loans from Bank are secured by hypothecation of the vehicles financed.

Terms of Repayment :-

Vehicle loans are repayable in 36 equated monthly installments from the date of disbursement of respective loans with interest rate ranging between 9.5% and 10.45%. Tranches of above term loans are repayable in:

(₹ in Lacs)

	As at 31st March, 2015	As at 31st March, 2014
Amount Repayable within 1 year	—	48.72
Amount Repayable beyond 1 year but less than 2 years	—	53.75
Amount Repayable beyond 2 years but less than 3 years	—	59.28

(₹ in Lacs)

	As at 31st March, 2015	As at 31st March, 2014
<b>5. OTHER LONG TERM LIABILITIES</b>		
Security Deposit from General Insurance Corporation of India on Sub lease of property	—	18.01
<b>TOTAL</b>	—	18.01

(₹ in Lacs)

	As at 31st March, 2015	As at 31st March, 2014
<b>6. LONG TERM PROVISIONS</b>		
Provision for Employee Benefits		
Leave Encashment	141.06	114.53
<b>TOTAL</b>	141.06	114.53

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)**

	(₹ in Lacs)	
	As at 31st March, 2015	As at 31st March, 2014
<b>7. SHORT TERM BORROWINGS</b>		
Repayable on demand		
Secured		
Cash Credit from Banks (Refer Note:7.1)	362.46	466.16
Unsecured		
Inter Corporate Deposits	67.50	75.00
<b>TOTAL</b>	<b>429.96</b>	<b>541.16</b>

**7.1** Cash Credit from Banks bearing interest rate between 13.5% to 15.6% per annum are secured by first charge of entire stock of raw materials, stock in process, finished goods, receivables / book debts and other current assets of the Company and pari passu charge on all immovable properties of the Company (present and future) with other consortium banks.

	(₹ in Lacs)	
	As at 31st March, 2015	As at 31st March, 2014
<b>8. TRADE PAYABLES</b>		
Trade Payables		
Due to Micro and Small Enterprises (Refer Note:8.1)	0.75	0.99
Others	2,641.70	2,491.96
<b>TOTAL</b>	<b>2,642.45</b>	<b>2,492.95</b>

**8.1 Micro and Small Enterprises :**

The Company has amounts due to suppliers under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED')

	(₹ in Lacs)	
	As at 31st March, 2015	As at 31st March, 2014
(a) The Principal amount and interest due thereon remaining unpaid to suppliers under MSMED as at the end of accounting year		
Principal	0.07	0.48
Interest	0.04	0.08
(b) The amount of interest paid in terms of Section 16 of MSMED along with the amount of payment made to suppliers beyond the appointed day during the year		
Principal	0.61	0.14
Interest	—	0.81
(c) The amount of interest due and payable for principal paid during the year beyond the appointed day but without adding the interest specified under MSMED	Nil	Nil
(d) The amount of interest accrued and remaining unpaid at the end of the year [including ₹ 0.51 Lacs (Previous year ₹ 0.30 Lacs) being interest outstanding as at the beginning of the accounting year]	0.68	0.51
(e) The amount of further interest remaining due and payable even in the succeeding year, until such date when interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as deductible expenditure under Section 23 of the MSMED	0.17	0.21

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)

(₹ in Lacs)

	As at 31st March, 2015	As at 31st March, 2014
<b>9. OTHER CURRENT LIABILITIES</b>		
Current maturities of Long Term Debt (Refer Note:4)		
Vehicle Loans	—	48.72
Interest Accrued and Due on Deposits from Dealers	32.48	27.79
Interest Accrued and Due on Borrowings	1.09	—
Unpaid Dividends (Refer Note 9.1)	4.99	3.19
Income Received In Advance	167.17	—
Advance from Customers	45.02	424.49
Security Deposit from Dealers	64.51	66.05
Dealer's Incentive	39.67	42.64
Liabilities for Expenses	818.17	438.23
Employee Benefits Payable	153.92	203.49
Amount payable to government authorities	198.30	201.63
Advance against proposed sale of certain fixed assets	25.00	25.00
Security Deposit from General Insurance Corporation of India on Sub lease of property	18.01	—
<b>TOTAL</b>	<b>1,568.33</b>	<b>1,481.23</b>

9.1 There are no amount due and outstanding to be credited to Investor Education and Protection Fund under Section 205C of the Companies Act, 1956 as at year end.

(₹ in Lacs)

	As at 31st March, 2015	As at 31st March, 2014
<b>10. SHORT TERM PROVISIONS</b>		
Provision for Employee Benefits		
Leave Encashment	23.11	35.55
Gratuity	41.49	13.38
Other Provisions		
Provision for Royalty on License Fees (Refer Note 10.1)	1,686.87	1,285.73
Provision for Wealth Tax	30.00	30.00
Provision for Proposed Dividend	261.04	261.04
Provision for Dividend Distribution Tax on Proposed Dividend	53.14	44.36
<b>TOTAL</b>	<b>2,095.65</b>	<b>1,670.06</b>

(₹ in Lacs)

	As at 31st March, 2015	As at 31st March, 2014
<b>10.1 Movements of Provision for Royalty on Licence Fees</b>		
Carrying amount at the beginning of the year	1,285.73	1,691.63
Add: Created during the year	1,319.19	1,135.77
	2,604.92	2,827.40
Less: Excess provision of earlier years, written back	94.90	34.32
Less: Amounts utilised during the year	823.15	1,507.35
Carrying amount at the end of the year	1,686.87	1,285.73

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)

## 11. FIXED ASSETS

(₹ in Lacs)

	Gross block				Depreciation and Amortisation				Net block		
	Cost/ Valuation as at 31st March, 2014	Additions during the year	Deletions/ Adjustments during the year	Cost/ Valuation as at 31st March, 2015	Up to 31st March, 2014	For the Year	On Deletions/ Adjustments during the year	Adjustment consequent to revision of useful lives pursuant to schedule II to the Companies Act, 2013 (Also Refer Note 28.1)	Up to 31st March, 2015	As at 31st March, 2015	As at 31st March, 2014
<b>A) Tangible Assets</b>											
Land - Freehold	6,567.47	—	—	6,567.47	—	—	—	—	—	6,567.47	6,567.47
Buildings - Freehold	771.96	—	—	771.96	366.70	22.65	—	36.66	426.01	345.95	405.26
Leasehold Buildings	70.60	—	—	70.60	31.30	0.80	—	—	32.10	38.50	39.30
Plant and Equipment	1,790.92	—	17.82	1,773.10	1,676.63	25.92	17.82	63.04	1,747.77	25.33	114.29
Furniture and Fixtures	693.65	137.81	101.96	729.50	370.14	54.56	56.30	18.99	387.39	342.11	323.51
Office Equipment	1,512.45	119.78	5.19	1,627.04	1,184.83	152.39	2.92	59.31	1,393.61	233.43	327.62
Vehicles	242.81	—	179.02	63.79	40.22	18.67	14.16	3.96	48.69	15.10	202.59
<b>TOTAL</b>	11,649.86	257.59	303.99	11,603.46	3,669.82	274.99	91.20	181.96	4,035.57	7,567.89	7,980.04
Previous Year	11,498.05	257.68	105.87	11,649.86	3,590.07	155.40	75.65	—	3,669.82	7,980.04	

	Gross block				Depreciation and Amortisation				Net block	
	Cost/ Valuation as at 31st March, 2014	Additions during the year	Deletions/ Adjustments during the year	Cost/ Valuation as at 31st March, 2015	Up to 31st March, 2014	For the Year	On Deletions/ Adjustments during the year	Up to 31st March, 2015	As at 31st March, 2015	As at 31st March, 2014
<b>B) Intangible Assets</b>										
Copyrights-Music	1,101.48	68.25	—	1,169.73	270.78	212.77	—	483.55	686.18	830.70
Feature Film	3,759.72	—	—	3,759.72	3,759.72	—	—	3,759.72	—	—
Computer Software	548.01	—	—	548.01	421.06	51.11	—	472.17	75.84	126.95
<b>TOTAL</b>	5,409.21	68.25	—	5,477.46	4,451.56	263.88	—	4,715.44	762.02	957.65
Previous Year	4,906.69	502.52	—	5,409.21	4,323.60	127.96	—	4,451.56	957.65	

- 11.1** Based on valuation reports of valuers, appointed for the purpose, the tangible fixed assets (other than furniture and fittings, office equipment, vehicles and certain items of plant and equipment) were revalued on 31st March, 1984 and again (except for those relating to record making machinery items) on 30th September, 1987 after considering the then (a) current market value/ derived rates attributable to land (b) current replacement cost after depreciation etc. and an amount of ₹587.31 lacs and ₹628.19 lacs were added to the book value of the related assets (with corresponding credit to Fixed Asset Revaluation Reserve) on 31st March, 1984 and 30th September, 1987 respectively.
- 11.2** Certain tangible fixed assets of the Company viz Land and Buildings were revalued in June 2003 by registered valuers at the lower of current replacement cost and realisable value. Resultant incremental value amounting to ₹2,374.11 lacs were added to the book value of the related assets with utilisation of the corresponding credit amount pursuant to an approved scheme of arrangement.
- 11.3** Company's land was revalued on 31st March, 2007 by registered valuers, at lower of current replacement cost and realisable value. Resultant incremental value amounting to ₹4,421.30 lacs were added to the book value of land with corresponding credit to Revaluation Reserve of ₹2,697.56 lacs and utilisation of the balance amount of ₹1,723.74 lacs pursuant to a sanctioned scheme of amalgamation of erstwhile Saregama Films Limited with the Company in 2006-07.
- 11.4** In respect of tangible fixed asset covered by revaluation made in the earlier years, depreciation has been calculated on their respective revalued amounts. Depreciation on account of incremental amount to the extent of ₹13.68 lacs for the current year and ₹2.57 lacs for the previous year has been transferred from Revaluation Reserve to General Reserve and the Statement of Profit and Loss respectively.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)**
**12. NON CURRENT INVESTMENTS**

(₹ in Lacs)

	Number		Face Value of each share/unit	Book Value as at 31st March, 2015	Book Value as at 31st March, 2014
	As at 31st March, 2015	As at 31st March, 2014			
<b>Long Term :</b>					
<b>A. Trade Investment (valued at cost/under)</b>					
<b>Unquoted-Fully Paid</b>					
Saregama Regency Optimedia Private Limited (Joint Venture)	14,59,684	14,59,684	₹ 10	145.97	145.97
Less: Provision for other than temporary diminution in the carrying amount of Investment				(145.97)	(145.97)
				—	—
<b>B. Other than Trade Investment (Valued at cost unless stated otherwise)</b>					
<b>1. Fully Paid Equity/Ordinary Shares in Subsidiary Companies</b>					
<b>Unquoted</b>					
Saregama Plc.	70,12,222	70,12,222	1 pence	48.52	48.52
			(a)	48.52	48.52
RPG Global Music Ltd.	23,14,885	23,14,885	US \$ 1	1,026.20	1,026.20
Less: Provision for other than temporary diminution in the carrying amount of Investment				(1,026.20)	(1,026.20)
			(b)	—	—
Kolkata Metro Networks Ltd.*	17,050,000	50,000	₹ 10	1,705.00	5.00
Less: Provision for other than temporary diminution in the carrying amount of Investment				(191.71)	(5.00)
			(c)	1,513.29	—
Open Media Network Private Limited #	808,600	4,20,42,642	₹ 10	80.86	4,204.26
Less: Provision for other than temporary diminution in the carrying amount of Investment				(80.86)	(3,204.26)
			(d)	—	1000.00
			Total (a+b+c+d)	1,561.81	1,048.52
<b>2. Fully Paid Equity Shares in Other Companies</b>					
<b>Quoted</b>					
CESC Ltd.	12,59,988	15,44,988	₹ 10	3,239.18	3,971.86
Phillips Carbon Black Ltd.	100	100	₹ 10	0.06	0.06
Harrisons Malayalam Ltd.	100	100	₹ 10	0.04	0.04
CFL Capital Financial Services Ltd.	100	100	₹ 10	0.02	0.02
STEL Holdings Ltd. (formerly Sentinel Tea and Exports Ltd.)	100	100	₹ 10	—	—
<b>Unquoted</b>					
Spencer and Company Ltd.	200	200	₹ 9	0.07	0.07
Woodlands Multispeciality Hospital Limited	2,250	2,250	₹ 10	0.07	0.07
Timbre Media Private Limited @	2,30,000	2,30,000	₹ 10	—	—
				3,239.44	3,972.12
			Grand Total (A+B)	4,801.25	5,020.64
Aggregate Amount of Quoted Investments				3,239.30	3,971.98
Aggregate Market Value of Quoted Investments				7,608.64	7,732.01
Aggregate Amount of Unquoted Investments				3,006.69	5,430.09
Aggregate Provision for Diminution in the value of Investments				1,444.74	4,381.43

# In terms of the order passed by the Hon'ble High Court at Calcutta on 3rd March, 2015 sanctioning the reduction of paid up share capital of ₹ 10/- per share to Re.0.15 per share, shareholding in Open Media Network Private Limited stand reduced and consolidated into 6,30,640 equity shares of ₹10/- fully paid up. Further, the Company have purchased 1,77,960 equity shares of ₹10 each from Rainbow Investments Limited. Also refer Note 43(b).

@ Acquired during the year 2012-13 pursuant to clause 3.8 of the agreement entered into between Saregama India Limited and Timbre Media Private Limited.

\* Investments made during the year includes 1,67,58,000 equity shares of ₹10/- each through conversion of receivables from the investee company on sale of company's investment in shares for reason set out in Note 43(a).

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)

(₹ in Lacs)

**13. DEFERRED TAX ASSET/LIABILITIES**

The major components of Deferred Tax Liabilities and Assets are:-

Deferred Tax Asset on :-

	As at 31st March, 2015	As at 31st March, 2014
Provisions for doubtful debts	610.37	621.27
Unamortised Expenditure allowable for tax purpose in subsequent years	45.31	66.73
Total (A)	<u>655.68</u>	<u>688.00</u>
Deferred Tax (Asset) / Liability on Depreciation	<u>(103.21)</u>	<u>19.97</u>
Total (B)	<u>(103.21)</u>	<u>19.97</u>
Deferred Tax Asset (Net) (A-B)	<u>758.89</u>	<u>668.03</u>

(₹ in Lacs)

**14. LONG TERM LOANS AND ADVANCES**

**Capital Advances**

	As at 31st March, 2015	As at 31st March, 2014
Unsecured considered Good	10.50	0.80
Unsecured considered Doubtful	14.88	10.38
Less: Provision for Doubtful advances	<u>14.88</u>	<u>10.38</u>
<b>Security Deposits</b>		
Unsecured considered Good	269.56	246.13
<b>Loan to Employees</b>		
Unsecured considered Good	<u>2.62</u>	<u>6.16</u>
<b>TOTAL</b>	<u>282.68</u>	<u>253.09</u>

(₹ in Lacs)

**15. OTHER NON-CURRENT ASSETS**

Deposits with maturity more than 12 months

	As at 31st March, 2015	As at 31st March, 2014
	<u>2.00</u>	<u>2.25</u>
<b>TOTAL</b>	<u>2.00</u>	<u>2.25</u>

(₹ in Lacs)

**16. INVENTORIES [Refer Note:1(f)]**

Finished Goods

	As at 31st March, 2015	As at 31st March, 2014
– Untelecasted Television Serials	479.87	180.43
– Audio Compact Discs, Digital Versatile Discs, etc.	<u>—</u>	<u>24.77</u>
<b>TOTAL</b>	<u>479.87</u>	<u>205.20</u>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)**

(₹ in Lacs)

	As at 31st March, 2015	As at 31st March, 2014
<b>17. TRADE RECEIVABLES</b>		
Unsecured		
Outstanding for a period exceeding six months from the date they are due for payment		
Considered Good	103.07	224.31
Considered Doubtful	1,716.42	1,796.51
Less: Provision for Doubtful Debts	1,716.42	1,796.51
Other Debts		
Considered Good	5,702.21	3,694.99
Considered Doubtful	47.19	31.31
Less: Provision for Doubtful Debts	47.19	31.31
<b>TOTAL*</b>	<b>5,805.28</b>	<b>3,919.30</b>

\*include ₹ 467.94 Lacs (net of provision ₹ 67.73 Lacs) ;31.03.2014 - ₹ 469.15 Lacs (net of provision ₹ 187.65 Lacs) due from Saregama Plc (Subsidiary Company), ₹ 0.57 Lacs (net of provision ₹ Nil); 31.03.2014 - ₹ Nil (net of provision ₹ Nil) due from RPG Global Music Ltd (Subsidiary Company)

(₹ in Lacs)

	As at 31st March, 2015	As at 31st March, 2014
<b>18. CASH AND BANK BALANCES</b>		
<b>A. Cash and Cash Equivalents</b>		
Cash on Hand	4.75	3.01
Cheques on Hand	—	0.03
Bank Balances		
– Current Accounts	383.44	912.22
– Unpaid Dividend Accounts @	4.99	3.19
<b>B. Other Bank Balances*</b>		
– Deposits with maturity more than 3 months but less than 12 months	0.25	—
<b>TOTAL (A+B)</b>	<b>393.43</b>	<b>918.45</b>

@ Earmarked for payment of unclaimed dividend

\* Excludes deposits ₹ 2.00 Lacs (31.03.2014 - ₹ 2.25 Lacs) with maturity more than 12 months from the reporting period and shown under 'Other Non-Current Assets' (Note: 15)



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)

(₹ in Lacs)

	As at 31st March, 2015		As at 31st March, 2014	
<b>19. SHORT TERM LOANS AND ADVANCES</b>				
<b>(Unsecured, considered good unless otherwise stated)</b>				
<b>Loans and Advances to Related Parties (Refer Note 39)</b>				
Unsecured considered Good		8.92		21.17
Unsecured considered Doubtful	946.16		112.84	
Less: Provision for Doubtful loans and Advances	946.16	—	112.84	—
<b>Other Loans and Advances</b>				
Minimum Guarantee Royalty Advances		221.20		318.32
<b>Royalty Advances</b>				
Unsecured considered Good		322.57		352.29
Unsecured considered Doubtful	340.73		310.39	
Less: Provision for Doubtful Advances	340.73	—	310.39	—
<b>Advance against TV Projects</b>				
Unsecured considered Good		145.63		46.54
Unsecured considered Doubtful	206.19		204.59	
Less: Provision for Doubtful Advances	206.19	—	204.59	—
<b>Loan to Employees</b>		7.46		7.87
<b>Balances with Government Authorities</b>		381.28		368.28
<b>Prepaid Expense</b>				
Unsecured considered Good		180.27		212.37
Unsecured considered Doubtful	152.85		152.85	
Less: Provision for Doubtful Prepaid Expense	152.85	—	152.85	—
<b>Advance to Artist / for Event</b>				
Unsecured considered Good		15.88		175.95
Unsecured considered Doubtful	446.33		318.77	
Less: Provision for Doubtful Advances	446.33	—	318.77	—
Advance payment of Income Tax and Tax Deducted at Source [net of Provision for Taxation ₹ 2,637.94 Lacs; (31.03.14 - ₹ 2,637.94 Lacs)]		3,362.90		2,495.37
Advance payment of Fringe Benefit Tax (net of Provision ₹ 147.87 Lacs : 31.03.2014-₹ 147.87 Lacs)		20.08		20.08
<b>TOTAL</b>		<b>4,666.19</b>		<b>4,018.24</b>

(₹ in Lacs)

	As at 31st March, 2015		As at 31st March, 2014	
<b>20. OTHER CURRENT ASSETS</b>				
Unsecured considered Doubtful				
Interest accrued on Loans to Related Parties	53.75		—	
Less: Provision for Doubtful Accrued Interest	53.75	—	—	—
<b>TOTAL</b>				

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)**

(₹ in Lacs)

	Year ended 31st March, 2015	Year ended 31st March, 2014
<b>21. REVENUE FROM OPERATIONS</b>		
<b>Sale of Products</b>		
Audio Compact Discs	216.77	323.69
Digital Versatile Discs	19.57	86.39
Others	14.90	50.29
	<u>251.24</u>	<u>460.37</u>
Less: Excise Duty	0.08	0.19
	<u>251.16</u>	<u>460.18</u>
<b>Sale of Services</b>		
Income from Television Serials(including Free Commercial Time)	6,442.26	5,623.64
Licence Fees	11,468.28	10,639.26
Others	2.91	10.78
Other Operating Revenue	23.92	37.67
<b>TOTAL</b>	<u>18,188.53</u>	<u>16,771.53</u>

(₹ in Lacs)

	Year ended 31st March, 2015	Year ended 31st March, 2014
<b>22. OTHER INCOME</b>		
Liabilities / Provisions no longer required written back	401.93	144.32
Provision for Doubtful Debts/ Advances no longer required written back	64.21	15.43
Interest Income (Gross)		
– on Bank Deposits	21.46	79.81
– on Security Deposits	2.41	2.39
– on Income Tax Refund	5.73	—
– on Intercorporate Deposit/Loans	79.47	71.42
Dividend from Long Term (other than trade ) Investments	123.60	108.15
Profit on Sale of Tangible Fixed Assets	0.93	0.72
Rent Income	3.89	52.38
Net Gain on foreign currency transactions/ translation	—	118.90
Other Non-Operating Income	2.14	3.49
<b>TOTAL</b>	<u>705.77</u>	<u>597.01</u>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)

		(₹ in Lacs)	
		Year ended 31st March, 2015	Year ended 31st March, 2014
<b>23. COST OF MATERIALS CONSUMED AND CONTRACT MANUFACTURING CHARGES</b>			
A) Cost of Materials Consumed (Refer Note:23.1)	—	6.29	
B) Contract Manufacturing Charges (Refer Note:23.2)	<b>203.52</b>	241.27	
<b>TOTAL</b>	<b>203.52</b>	247.56	
(₹ in Lacs)			
		Year ended 31st March, 2015	Year ended 31st March, 2014
<b>23.1 Details of Materials Consumed</b>			
Raw Materials Consumed:			
– Papers, Digitray and Others	—	6.29	
<b>TOTAL</b>	—	6.29	
(₹ in Lacs)			
		Year ended 31st March, 2015	Year ended 31st March, 2014
<b>23.2 Details of Contract Manufacturing Charges</b>			
Contract Manufacturing Charges			
– Audio Compact Discs	182.05	171.27	
– Digital Versatile Discs	16.90	56.53	
– Others	4.57	13.47	
<b>TOTAL</b>	<b>203.52</b>	241.27	
(₹ in Lacs)			
		Year ended 31st March, 2015	Year ended 31st March, 2014
<b>24. COST OF PRODUCTION OF TELEVISION SERIALS AND PORTAL</b>			
Cost of Production of Television Serials (Refer Note:24.1)	7,049.28	5,150.21	
Cost of Portal Development	10.20	27.90	
<b>TOTAL</b>	<b>7,059.48</b>	5,178.11	

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)**

(₹ in Lacs)

**24.1 Details of Cost of Production of Television Serials**

	Year ended 31st March, 2015	Year ended 31st March, 2014
Telecast Fees	1,758.85	1,644.10
Payment to artistes, directors, script-writers, etc.	1,357.61	849.62
Cost of Tapes	0.54	3.10
Food, Lodging and Travel	391.61	205.15
Set, properties and equipment charges	399.70	175.13
Other Production Expenses	2,841.53	2,252.32
Increase / (Decrease) in Inventories of Television Serials	299.44	20.79
<b>TOTAL</b>	<b>7,049.28</b>	<b>5,150.21</b>

(₹ in Lacs)

**25. CHANGES IN INVENTORIES OF FINISHED GOODS**
**Opening Stock**

	Year ended 31st March, 2015	Year ended 31st March, 2014
– Finished Goods - Untelecasted Television Serials	180.43	159.64
– Finished Goods - Audio Compact Discs, Digital Versatile Discs, etc.	24.77	517.17
	<b>205.20</b>	<b>676.81</b>

**Less: Closing Stock**

– Finished Goods - Untelecasted Television Serials	479.87	180.43
– Finished Goods - Audio Compact Discs, Digital Versatile Discs, etc.	—	24.77
	<b>479.87</b>	<b>205.20</b>
<b>Net (Increase)/Decrease</b>	<b>(274.67)</b>	<b>471.61</b>

(₹ in Lacs)

**26. EMPLOYEE BENEFITS EXPENSE**

	Year ended 31st March, 2015	Year ended 31st March, 2014
Salaries and Wages	2,657.58	2,722.50
Contributions to:		
Provident Fund	88.90	90.32
Superannuation Fund	9.99	8.94
Gratuity Fund	61.27	19.90
Employee's State Insurance Scheme	4.70	8.40
Staff Welfare Expenses	155.47	127.56
<b>TOTAL</b>	<b>2,977.91</b>	<b>2,981.27</b>

**26.1** In keeping with the Company's gratuity scheme (a defined benefit plan-funded), eligible employees are entitled to gratuity benefit (at one half months eligible salary for each completed year of service) on retirement / death / incapacitation / resignation etc. Also refer Note 1 (g) for accounting policy relating to gratuity. Following are the further particulars with respect to gratuity.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)

	(₹ in Lacs)	
	2014-15	2013-14
<b>I. Reconciliation of opening and closing balances of the present value of the Defined Benefit Obligation</b>		
(a) Present Value of Obligation at the beginning of the year	533.50	489.80
(b) Current Service Cost	31.44	34.15
(c) Interest Cost	45.19	38.48
(d) Acquisitions Cost	0.04	—
(e) Actuarial Loss / (Gain)	34.56	(11.33)
(f) (Benefits Paid)	(89.97)	(17.60)
(g) Present Value of Obligation as at the end of the year	<u>554.76</u>	<u>533.50</u>
<b>II. Reconciliation of opening and closing balances of the fair value of Plan Assets</b>		
(a) Fair Value of Plan Assets at the beginning of the year	520.12	463.09
(b) Acquisitions Adjustment	0.24	—
(c) Expected Return on Plan Assets	45.73	43.79
(d) Actuarial Gain / (Loss)	3.99	(2.39)
(e) Contributions	33.16	33.23
(f) (Benefits Paid)	(89.97)	(17.60)
(g) Fair Value of Plan Assets as at the end of the year	<u>513.27</u>	<u>520.12</u>
<b>III. Reconciliation of the present value of Defined Benefit Obligation in 'I' above and the fair value of Plan Assets in 'II' above</b>		
(a) Present Value of Obligation as at the end of the year	554.76	533.50
(b) Fair Value of Plan Assets as at the end of the year	<u>513.27</u>	<u>520.12</u>
(c) Liability/(Asset) recognised in the Balance Sheet	<u>41.49</u>	<u>13.38</u>
<b>IV. Expense charged to the Statement of Profit and Loss</b>		
(a) Current Service Cost	31.44	34.15
(b) Interest Cost	45.19	38.48
(c) (Expected Return on Plan Assets)	(45.73)	(43.79)
(d) Acquisitions Cost	(0.20)	—
(e) Actuarial (Gain) / Loss	30.57	(8.94)
(f) Total expense charged to the Statement of Profit and Loss*	<u>61.27</u>	<u>19.90</u>
*reflected as 'Contribution to Gratuity Fund' in Note 26 on 'Employee Benefits Expense'		
<b>V. Percentage of each Category of Plan Assets to total Fair Value of Plan Assets as at Balance Sheet date</b>		
(a) Fund with Life Insurance Corporation of India	74%	78%
(b) NAV based Group Balanced Fund with ICICI Prudential Life Insurance Company Limited	14%	11%
(c) NAV based Group Short Term Debt Fund with ICICI Prudential Life Insurance Company Limited	6%	6%
(d) NAV based Group Debt Fund with ICICI Prudential Life Insurance Company Limited	6%	5%
<b>VI. Actual Return on Plan Assets</b>	49.72	41.40
<b>VII. Principal Actuarial Assumptions as at Balance Sheet date</b>		
(a) Discount Rate	7.80%	9.25%
(b) Expected Rate of Return on Plan Assets	9.30%	9.30%
(c) Salary Escalation	8.50%	8.50%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The expected rate of return on plan assets is based on the composition of plan assets held, assessed risks of asset management, historical results of the return on plan assets, the Company's policy for plan asset management and other relevant factors.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)

(₹ in Lacs)					
VIII Other Disclosures	2014-15	2013-14	2012-13	2011-12	2010-11
a) Present value of the Obligation as at the end of the year	554.76	533.50	489.80	547.99	536.77
b) Fair value of Plan Assets as at the end of the year	513.27	520.12	463.09	590.62	549.91
c) (Surplus) / Deficit as at the end of the year	41.49	13.38	26.71	(42.63)	(13.16)
d) Experience Adjustment on Plan Obligation [Gain / (Loss) ]	5.55	(25.03)	(2.31)	(1.45)	1.16
e) Experience Adjustment on Plan Assets [Gain / (Loss) ]	3.99	(2.39)	(0.63)	0.75	(1.87)
(₹ in Lacs)					

27. FINANCE COSTS	Year ended	Year ended
	31st March, 2015	31st March, 2014
Interest Expenses	39.77	272.55
Other Borrowing Costs	11.49	5.83
<b>TOTAL</b>	<b>51.26</b>	<b>278.38</b>

28. DEPRECIATION AND AMORTISATION EXPENSE	Year ended	Year ended
	31st March, 2015	31st March, 2014
Depreciation on Tangible Asset	274.99	155.40
Less: Transferred from Revaluation Reserve (Refer Note 11.4)	—	2.57
Amortisation on Intangible Asset	263.88	152.83
<b>TOTAL</b>	<b>538.87</b>	<b>280.79</b>

28.1 The company has charged depreciation in keeping with the requirements of Schedule II to the Companies Act, 2013. Consequently, the estimated useful lives of fixed assets have been revised, in keeping with the provisions of Schedule II to the Companies Act, 2013 effective 1st April, 2014. Pursuant to the said revision in useful lives, the depreciation expense for the year ended 31st March, 2015 is higher and profit before tax is lower by ₹143.25 Lacs and net book value aggregating ₹112.14 Lacs (net of deferred tax ₹57.76 Lacs) and ₹12.06 Lacs relating to fixed assets, where revised useful lives have expired by 31st March, 2014, has been adjusted against opening balance as on 1st April, 2014 of General Reserve and Revaluation Reserve (for revalued assets) respectively.

The revision of the useful lives will result in the following changes in the depreciation expense as compared to the original useful life of the assets.

	2015-16	After 2015-16
Increase / (decrease) in depreciation expense	60.88	(193.75)

29. OTHER EXPENSES	Year ended	Year ended
	31st March, 2015	31st March, 2014
Consumption of Stores and Spare Parts	0.11	0.05
Power and Fuel	112.49	117.60
Rent	205.85	209.86
Repairs – Buildings	25.50	19.00
– Machinery	18.25	13.71
– Others	25.56	20.45
Royalties	1,574.04	1,688.00
Recording Expenses	269.69	103.06
Carriage, Freight and Forwarding Charges	7.35	32.08
Rates & Taxes	51.04	92.88
Insurance	5.93	8.62
Travel and Conveyance	442.23	277.63
Advertisement and Sales Promotion	1,080.48	799.82
Printing and Communication Expenses	265.49	328.43
Bad Debts/Advances written off	39.93	—
Provision for Doubtful debts, Advances and other current assets [including Provision for Subsidiary company ₹ 887.07 Lacs (Previous year-₹ 170.33 Lacs)]	1,051.07	517.79
Loss on sale of Fixed Assets	93.89	3.94
Investment Write off	—	0.05
Legal/Consultancy Expenses	526.91	449.36
Net (Gain)/Loss on Foreign Currency Transactions and Translation	69.76	—
Contribution towards CSR	54.00	—
Payment to Auditors (Refer Note:33)	50.94	43.19
Miscellaneous Expense	570.62	593.90
<b>TOTAL</b>	<b>6,541.13</b>	<b>5,319.42</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)

	(₹ in Lacs)	
	Year ended 31st March, 2015	Year ended 31st March, 2014
<b>30. EXCEPTIONAL ITEMS</b>		
Investment Write off	4,141.20	—
Provision for Investment Write back	(3,204.26)	—
Profit on Sale of Long Term Investments	936.94	—
Provision for Diminution in carrying amount of Investments (including ₹ 3204.26 Lacs for OMNPL referred to in Note 30.1)	(943.12)	—
Provision for doubtful advances given in earlier year written back ( referred to in Note 30.1)	267.57	3,350.23
	—	(2,464.60)
<b>TOTAL</b>	<b>267.57</b>	<b>885.63</b>
	<b>261.39</b>	<b>885.63</b>

**30.1** As a part of restructuring activities undertaken by OMNPL during the year 2013-14, advances aggregating ₹3203.26 lacs have been considered as contributions for investments in equity shares of OMNPL. Upon conversion of advances into Investments, the provision for doubtful advances was written back and provision for diminution in value of investments was created to recognize decline, other than temporary, in the carrying amount of company's long term investments in OMNPL's Publication business.

During the year 2014-15, face value per share of OMNPL of ₹ 10/- each has been reduced to ₹ 0.15/- per share. The above reduction has been sanctioned by the Hon'ble Calcutta High Court on 3rd March, 2015.

Such reduction of share capital by OMNPL, has resulted in write off of ₹4141.20 Lacs, being amount of investments in equity shares of OMNPL. Accordingly, the carrying amount of provision for diminution in value of investments in OMNPL of ₹3204.26 Lacs has been written back. Further, the Hon'ble High Court at Calcutta, has also approved consolidation of equity shares of OMNPL of ₹ 0.15 each into equity share of ₹10/- each.

**31.** Capital commitments (net of advances of ₹25.38 Lacs; 31.03.14 - ₹11.18 Lacs) as at 31st March, 2015 are estimated at ₹ 45.68 Lacs (31.03.14 - ₹ 14.18 Lacs).

**32.** Contingent liabilities in respect of -

- (i) Guarantees given by Banks
- (ii) Claims against the Company not acknowledged as debts in respect of -
- Copyright Matters
  - Income Tax Matters
  - Sales Tax /Value Added Tax / Entry Tax Matters
  - Excise Duty Matters
  - Custom Duty Matters

	(₹ in Lacs)	
	As at 31st March, 2015	As at 31st March, 2014
(i) Guarantees given by Banks	1.50	1.50
(ii) Claims against the Company not acknowledged as debts in respect of -		
- Copyright Matters	20.00	20.00
- Income Tax Matters	1,532.76	857.94
- Sales Tax /Value Added Tax / Entry Tax Matters	588.37	593.00
- Excise Duty Matters	112.16	56.08
- Custom Duty Matters	266.75	266.75

**33.** Amount paid/payable to Auditors :

- As Auditors -
- Audit Fees for Standalone Financial Statements
  - Audit Fees for Consolidated Financial Statements
  - Tax Audit
  - Limited Reviews
  - Others [certificates, etc.]

Reimbursement of Expenses (excluding Service tax ₹5.93 Lacs; previous years - ₹5.34 Lacs)

	(₹ in Lacs)	
	Year ended 31st March, 2015	Year ended 31st March, 2014
As Auditors -		
- Audit Fees for Standalone Financial Statements	24.00	22.00
- Audit Fees for Consolidated Financial Statements	6.25	5.75
- Tax Audit	5.50	5.50
- Limited Reviews	11.25	9.00
- Others [certificates, etc.]	3.00	—
Reimbursement of Expenses (excluding Service tax ₹5.93 Lacs; previous years - ₹5.34 Lacs)	0.94	0.94

**34.1** The Company has adopted the intrinsic value method in keeping with the applicable regulatory pronouncements for accounting the stock options granted as referred to in Note 2.5, which has no impact on the financial results of the Company. Had the fair value method been used in keeping with the said pronouncements, net profit for the year would have been lower by about ₹ 1.94 Lac (Previous Year ₹ 0.08 Lac), without any significant impact on basic and diluted earning per share.

**34.2 Basic and Diluted Earnings per Share :**

- Number of equity shares at the beginning of the year
- Number of equity shares at the end of the year
- Weighted average number of equity shares outstanding during the year (A)
- Weighted average number of potential equity shares on account of employee stock options (B)
- Weighted average number of equity shares for computing diluted earnings per share [C= (A+B)]
- Nominal value of each equity share (₹)
- Profit after tax available for equity shareholders (₹ in Lacs) [D]
- Basic earnings per share (₹.) [D/A]
- Diluted earnings per share (₹) [D/C]

	Year ended 31st March, 2015	Year ended 31st March, 2014
Number of equity shares at the beginning of the year	1,74,02,938	1,74,02,938
Number of equity shares at the end of the year	1,74,02,938	1,74,02,938
Weighted average number of equity shares outstanding during the year (A)	1,74,02,938	1,74,02,938
Weighted average number of potential equity shares on account of employee stock options (B)	11,892	31
Weighted average number of equity shares for computing diluted earnings per share [C= (A+B)]	17,414,830	1,74,02,969
Nominal value of each equity share (₹)	10	10
Profit after tax available for equity shareholders (₹ in Lacs) [D]	1,568.51	1,208.77
Basic earnings per share (₹.) [D/A]	9.01	6.95
Diluted earnings per share (₹) [D/C]	9.01	6.95

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)**

35. Value of Imported and Indigenous Raw Materials, Stores, Spare Parts and Components consumed during the year :

	Year ended 31st March, 2015				Year ended 31st March, 2014			
	Raw materials		Stores, Spare Parts & Components		Raw materials		Stores, Spare Parts & Components	
	(₹ in Lacs)	%	(₹ in Lacs)	%	(₹ in Lacs)	%	(₹ in Lacs)	%
Imported	—	—	—	—	—	—	—	—
Indigenous	—	—	0.11	100.00	6.29	100.00	0.05	100.00
			0.11		6.29		0.05	

36. Expenditures in Foreign Currency :

(₹ in Lacs)

	Year ended 31st March, 2015	Year ended 31st March, 2014
Royalties	6.06	39.85
Others	9.88	54.59
	<u>15.94</u>	<u>94.44</u>

37. Earnings in Foreign Exchange :

(₹ in Lacs)

	Year ended 31st March, 2015	Year ended 31st March, 2014
Export of goods calculated on F.O.B. basis	—	1.54
License Fees	3,019.43	2,093.31
	<u>3,019.43</u>	<u>2,094.85</u>

38.1 Rent expenditure includes lease payments of ₹156.53 lacs (previous year - ₹161.03 Lacs) relating to operating leases taken on or after 1st April, 2001. These leasing arrangements range from less than an year to ten years and are primarily in respect of accommodation for employees / office premises. The significant leasing arrangements inter alia include escalation clause and option for renewal.

38.2 Rent income includes sub-lease payments of ₹3.89 Lacs (previous year - ₹52.38 Lacs) for the year relating to sub-lease agreements entered into by the Company on or after 1st April, 2001. These lease arrangements inter alia include escalation clause/option for renewal.

39. Related Party Disclosures in keeping with Accounting Standard (AS) 18 notified in the Companies Act, 1956

Name of Related Party	Current Year	Previous Year	Nature of Relationship
<b>A Where control exists</b>	Rainbow Investments Limited. ( RIL ) [Refer Note 24(ii)]	—	Holding Company and or enterprises to the Company in terms of Para 3(e) of Accounting Standard 18 [From 8th July, 2014]
	Saregama Plc. ( SPLC )	Saregama Plc. ( SPLC )	Subsidiary Company
	RPG Global Music Limited (RPGG)	RPG Global Music Limited (RPGG)	Subsidiary Company
	Kolkata Metro Networks Ltd (KMNL)	Kolkata Metro Networks Ltd (KMNL)	Subsidiary Company
	Open Media Network Pvt. Ltd (OMNPL)	Open Media Network Pvt. Ltd (OMNPL)	Subsidiary Company



NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)

<b>B Others with whom transactions has taken place</b>	Saregama Regency Optimedia Private Ltd (SROPL)	Saregama Regency Optimedia Private Ltd (SROPL)	Joint Venture Company
	Vikram Mehra* (Managing Director)		Key Management Personnel
	S.Mantha** (Managing Director)	S.Mantha (Managing Director)	Key Management Personnel
	G.B.Aayeer (Executive Director)	G.B.Aayeer (Executive Director)	Key Management Personnel
	Mr. Sanjiv Goenka (From 8th July, 2014)		Chairman

\* Joined with effect from 27th October,2014  
 \*\* Resigned with effect from 24th April,2014

**Related Party Transactions**

(₹ in Lacs)

Nature of Transactions		Holding Company#	Subsidiary Companies				Joint Venture SROPL	Total	Key Management Personnel	Chairman
			SPLC	RPGG	KMNL	OMNPL				
Sale of Goods	Current Year	—	1.54	—	—	—	1.54	—	—	
	Previous Year	—	—	—	—	—	—	—	—	
Licence Fees — Income	Current Year	—	632.34	3.24	—	—	635.58	—	—	
	Previous Year	—	439.25	23.83	—	—	463.08	—	—	
Interest Income	Current Year	—	7.39	0.20	18.13	53.75	79.47	—	—	
	Previous Year	—	—	—	—	—	—	—	—	
Cost of Production Events (Misc Expense)	Current Year	—	—	—	—	12.00	12.00	—	—	
	Previous Year	—	—	—	—	—	—	—	—	
Advertisement and Sales Promotion	Current Year	—	—	—	—	17.63	17.63	—	—	
	Previous Year	—	—	—	—	—	—	—	—	
Contract manufacturing charges	Current Year	—	—	—	—	—	—	—	—	
	Previous Year	—	—	—	—	29.49	29.49	—	—	
Reimbursement of Expense Paid/ Payable	Current Year	—	0.49	—	—	—	0.49	—	—	
	Previous Year	—	23.37	—	—	—	23.37	—	—	
License Fees — Expense	Current Year	—	—	—	60.19	—	60.19	—	—	
	Previous Year	—	—	73.28	—	—	73.28	—	—	
Rent Expenses	Current Year	—	—	—	—	—	—	—	—	
	Previous Year	—	—	—	—	16.44	16.44	—	—	
Reimbursement of Expense received/receivable	Current Year	—	0.53	2.36	—	0.21	3.10	—	—	
	Previous Year	—	0.78	2.36	—	—	3.14	—	—	
<b>Remuneration to Managerial Personnel</b>										
Mr. Vikram Mehra	Current Year	—	—	—	—	—	—	152.73	—	
	Previous Year	—	—	—	—	—	—	—	—	
Mr.G.B.Aayeer	Current Year	—	—	—	—	—	—	142.34	—	
	Previous Year	—	—	—	—	—	—	126.47	—	
Mr. S. Mantha	Current Year	—	—	—	—	—	—	9.94	—	
	Previous Year	—	—	—	—	—	—	140.53	—	
<b>Sitting Fees</b>										
Mr. Sanjiv Goenka	Current Year	—	—	—	—	—	—	—	0.80	
	Previous Year	—	—	—	—	—	—	—	—	
Investment made (Refer Note 12)	Current Year	—	—	—	1,700.00	—	1,700.00	—	—	
	Previous Year	—	—	—	—	1,000.00	1,000.00	—	—	
Sale of Investment	Current Year	—	—	—	1,675.80	—	1,675.80	—	—	
	Previous Year	—	—	—	—	—	—	—	—	
Advance converted to Investment (Refer Note 30.1)	Current Year	—	—	—	—	3,203.26	3,203.26	—	—	
	Previous Year	—	—	—	—	—	—	—	—	
Purchase of Shares of OMNPL	Current Year	17.80	—	—	—	—	17.80	—	—	
	Previous Year	—	—	—	—	—	—	—	—	
Loans and Advances given	Current Year	—	299.03	—	14.33	826.16	1,139.52	—	—	
	Previous Year	—	—	—	10.63	758.66	769.29	—	—	
Receipt towards Loans and Advances given	Current Year	—	298.48	—	20.01	—	318.49	—	—	
	Previous Year	—	—	2.36	—	20.00	22.36	—	—	
Provision for Doubtful Debts and Advances made	Current Year	—	—	—	7.16	879.91	887.07	—	—	
	Previous Year	—	170.33	—	—	—	170.33	—	—	
Provision for Diminution in the value of Investment made	Current Year	—	—	—	186.71	80.86	267.57	—	—	
	Previous Year	—	—	—	—	3,204.26	3,350.23	—	—	
Investment write off	Current Year	—	—	—	—	4,141.20	4,141.20	—	—	
	Previous Year	—	—	—	—	—	—	—	—	
Provision for Diminution in the value of Investment written back	Current Year	—	—	—	—	3,204.26	3,204.26	—	—	
	Previous Year	—	—	—	—	—	—	—	—	
Provision for Doubtful Debts and Advances written back	Current Year	—	119.92	—	—	—	119.92	—	—	
	Previous Year	—	—	—	—	2,464.60	2,464.60	—	—	
Balance Outstanding at year end :										
Non-Current Investments @	Current Year	—	48.52	1,026.20	1,705.00	80.86	145.97	3,006.55	—	
	Previous Year	—	48.52	1,026.20	5.00	4,204.26	145.97	5,429.95	—	
Short Term Loans & Advances @	Current Year	—	8.92	—	120.00	826.16	—	955.08	—	
	Previous Year	—	8.33	—	125.68	—	—	134.01	—	
Other Current Assets @	Current Year	—	—	—	—	53.75	—	53.75	—	
	Previous Year	—	—	—	—	—	—	—	—	
Trade Receivables@	Current Year	—	535.67	0.57	—	—	536.24	—	—	
	Previous Year	—	656.80	—	—	—	656.80	—	—	
Provision for Doubtful Loans and Advances	Current Year	—	—	—	120.00	879.91	999.91	—	—	
	Previous Year	—	—	—	112.84	—	112.84	—	—	
Provision for diminution in the value of investments	Current Year	—	—	1,026.20	191.71	80.86	145.97	1,444.74	—	
	Previous Year	—	—	1,026.20	5.00	3,204.26	145.97	4,381.43	—	
Provision for Doubtful Debts	Current Year	—	67.73	—	—	—	67.73	—	—	
	Previous Year	—	187.65	—	—	—	187.65	—	—	

#Includes an enterprise related to the Company in terms of Para 3(e) of Accounting Standard 18.

@ Gross of Provision.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)**

40. The Company's interest as a venturer in the jointly controlled entity (incorporated joint venture) is :-

Name	Country of Incorporation	Proportion of ownership interest as at 31st March,2015	Proportion of ownership interest as at 31st March,2014
Saregama Regency Optimedia Private Limited	India	26%	26%

The Company's interest in the joint venture is reported as Non Current Investments (Note 12) and stated at cost less write down. The Company's share of each of the assets, liabilities, income and expenses (each without elimination of the effect of transactions between the Company and Joint Venture) related to its interest in the joint venture are:-

	As at 31st March, 2015	As at 31st March, 2014
(₹ in Lacs)		
<b>EQUITY AND LIABILITIES</b>		
<b>Shareholders ' Funds</b>		
<b>Reserves and Surplus</b>		
Capital Reserve	9.73	25.69
Foreign Currency Translation Reserve	—	(0.37)
Surplus/(Deficit) in the Statement of Profit and Loss	(231.94)	(170.11)
<b>Non Current Liabilities</b>		
Long Term Borrowings	—	218.30
Long Term Provisions	—	0.27
<b>Current Liabilities</b>		
Short Term Borrowings	54.16	45.19
Trade Payables	23.93	9.74
Other Current Liabilities	9.42	34.97
Short Term Provisions	—	0.32
	(134.70)	164.00
<b>ASSETS</b>		
<b>Non Current Assets</b>		
Fixed Assets		
Tangible Assets	—	274.21
Intangible Assets	—	—
Long-term Loans and Advances	—	0.63
Other Non Current Assets	—	15.96
<b>Current Assets</b>		
Inventories	—	4.76
Trade Receivables	—	0.50
Cash and Bank Balances	1.26	3.74
Short-term Loans and Advances	10.01	10.17
	11.27	309.97

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)

(₹ in Lacs)

	Year ended 31st March, 2015	Year ended 31st March, 2014
<b>Income:</b>		
Revenue from Operations (Net)	—	11.02
Other Income	0.05	69.54
	0.05	80.56
<b>Expenses:</b>		
Cost of materials consumed	—	7.98
Purchases of Stock-in Trade	—	1.40
Changes in Inventories of Finished Goods and Work-in-Progress [Increase/(Decrease)]	—	2.13
Employee Benefits Expense	1.78	20.05
Finance Costs	9.15	12.36
Depreciation and Amortisation Expense	—	25.71
Other Expenses	16.86	42.97
Exceptional Items	34.09	—
	61.88	112.60

41. The Company has following un-hedged exposures in foreign currencies

	Year ended 31st March, 2015	Year ended 31st March, 2015	Year ended 31st March, 2014	Year ended 31st March, 2014
	Foreign Currency (in lacs)	Amount (₹ lacs)	Foreign Currency (in lacs)	Amount (₹ lacs)
Trade Receivables	GBP 5.79	535.67	GBP 6.58	656.80
Trade Receivables	USD 2.60	161.66	USD 5.21	302.32
Trade Receivables	SAR 0.04	0.63	SAR 0.32	5.13
Trade Receivables	—	—	MYR 0.75	13.74
Trade Receivables	LKR 9.67	4.44	—	—
Trade Receivables	NPR 0.05	0.03	NPR 0.14	0.09
Short Term Loans & Advances	GBP 0.10	8.92	GBP 0.08	8.33

42. In terms of Accounting Standard (AS) 17 on 'Segment Reporting' notified in the Companies Act, 1956, segment information has been presented in the Consolidated Financial Statements (prepared pursuant to Accounting Standard (AS) 21 on 'Consolidated Financial Statements' and Accounting Standard (AS) 27 on 'Financial Reporting of Interests in Joint Ventures' notified in the Companies Act, 1956) included in the Annual Report for the year.
43. (a) The Company has infused fresh equity of ₹1700 Lacs (2013-14 ₹ Nil) and provided loans and advances [repayable on demand at the interest rate of 14.25 % p.a. (2013-14 - Nil p.a.)] of ₹ 14.33 Lacs (2013-14 - advances ₹10.63 Lacs) during the year in / to its wholly owned subsidiary, Kolkata Metro Networks Limited for events business and financial assistance.
- (b) The Company has infused in equity of ₹ 17.80 Lacs [2013-14 ₹4203.26 Lacs (including conversion of advance ₹ 3203.26 Lacs given till 27th March, 2014)] and provided loans and advances [repayable on demand at the interest rate of 14.25 % p.a. (2013-14- Nil p.a.)] of ₹ 826.16 Lacs (2013-14 ₹758.66 Lacs) during the year in / to its subsidiary Open Media Network Private Limited for financial assistance.
44. Current Tax provision is net of Minimum Alternate Tax (MAT) credit ₹996.03 Lacs (2013-14 ₹ 233.98 Lacs) relating to earlier years based on income tax computation set out in accounting policy [ Note 1 (I) ] and Company's Return of Income.
45. Previous year's figures have been regrouped or rearranged, where considered necessary, to conform to current year's classification.

Signature to note 1 to 45

For Price Waterhouse  
Firm Registration No. 301112 E  
Chartered Accountants  
(Pinaki Chowdhury)

Kolkata,  
29th May, 2015

Partner  
Membership No. - 057572

On behalf of the Board

T. Paul  
Company Secretary

V. Mehra  
Managing Director  
DIN - 03556680

G. B. Aayeer  
Chief Financial Officer & Director  
DIN - 00087760

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015**

(₹ in Lacs)

	Year ended 31st March, 2015	Year ended 31st March, 2014
<b>A. Cash Flow from Operating Activities</b>		
Profit Before Tax	1,535.40	1,725.77
Adjustments for:		
Depreciation and Amortisation Expenses	538.88	280.79
Provision for Doubtful Debts/Advances	1,051.07	517.79
Exceptional Items (Refer Note 30)	261.39	885.63
Interest Expense	39.77	272.55
Other borrowing costs	11.49	5.83
Liabilities/Provisions no longer required written back	(401.93)	(144.32)
Provision for Doubtful Debts/ Advances no longer required written back	(64.21)	(15.43)
Interest Income	(103.34)	(153.62)
Bad debt/Advance written off	39.93	—
Loss on sale of Fixed Assets	93.89	3.94
Profit on sale of Fixed Assets	(0.93)	(0.72)
Investment written off	—	0.05
Dividend from Long Term Investments-Other than Trade	(123.60)	(108.15)
	1,342.41	1,544.34
<b>Operating profit before Working Capital Changes</b>	<b>2,877.81</b>	<b>3,270.11</b>
<b>Changes in Working Capital:-</b>		
Increase in Trade Payables	364.64	0.51
Increase/ (Decrease) in Provisions	538.24	(399.85)
Increase in Other Current Liabilities	220.14	90.10
(Decrease) in Other Long Term Liabilities	(18.01)	—
(Increase) in Trade Receivables	(1,861.70)	(573.21)
Decrease/ (Increase) in Inventories	(274.67)	477.90
Decrease/ (Increase) in Loans and Advances	(793.38)	661.62
Decrease/ (Increase) in Other Non current Assets	0.25	(2.25)
	(1,824.49)	254.82
<b>Cash generated from operations</b>	<b>1,053.32</b>	<b>3,524.93</b>
Direct Taxes (net of refund)	(867.53)	(1,163.74)
<b>Net cash generated from Operating Activities</b>	<b>185.79</b>	<b>2,361.19</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(340.05)	(756.66)
Sale of Fixed assets	119.83	27.00
Interest Received	49.59	186.85
Dividend from Long Term Investments-Other than Trade	123.60	108.15
Investment made in subsidiary	(42.00)	(1,000.00)
<b>Net cash (used in) Investing Activities</b>	<b>(89.03)</b>	<b>(1,434.66)</b>

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)

(₹ in Lacs)

	Year ended 31st March, 2015	Year ended 31st March, 2014
<b>C. Cash Flow from Financing Activities</b>		
Repayment of Long Term Borrowings	(161.75)	(4.30)
Decrease in Cash Credit facilities from banks	(103.70)	(641.59)
Repayment of Short Term Borrowings	(7.50)	—
Proceeds from Long Term Borrowings	—	161.75
Proceeds from Short Term Borrowings	—	20.00
Interest paid	(33.99)	(267.18)
Other borrowing costs paid	(11.49)	(5.83)
Dividend Paid	(259.24)	(259.16)
Dividend Distribution Tax Paid	(44.36)	(44.36)
<b>Net cash (used in) Financing Activities</b>	<b>(622.03)</b>	<b>(1,040.67)</b>
<b>Net Increase in cash and cash equivalents (A+B+C)</b>	<b>(525.27)</b>	<b>(114.14)</b>
Cash and Cash Equivalents at the beginning of the year	<b>918.45</b>	<b>1,032.59</b>
Cash and Cash Equivalents at the end of the year	<b>393.18</b>	<b>918.45</b>

## Notes to the Cash Flow Statement for the year ended 31st March, 2015

- The above Cash Flow Statement has been prepared under the Indirect Method as set out in the Accounting Standard 3 on 'Cash Flow Statements' prescribed under the Companies Act of India.
- Cash and cash equivalents comprise of: -

(₹ in Lacs)

	As at 31st March, 2015	As at 31st March, 2014
Cash on hand	4.75	3.01
Cheques on hand	—	0.03
Bank Balances	383.44	912.22
Unpaid Dividend @	4.99	3.19
<b>TOTAL</b>	<b>393.18</b>	<b>918.45</b>

@ Represents not available for use by the Company.

- The above Cash Flow Statement does not include conversion of advances/receivables amounting to ₹ 1,675.80 Lacs (31.03.2014: ₹3,203.26 Lacs) into investments in equity shares of subsidiaries, being non cash transaction. (Refer Note 12).
- Previous year's figures have been regrouped / rearranged, where considered necessary.  
This is the Cash Flow Statement referred to in our report of even date

For Price Waterhouse  
Firm Registration No. 301112 E  
Chartered Accountants  
(Pinaki Chowdhury)  
Partner  
Membership No. - 057572

Kolkata,  
29th May, 2015

On behalf of the Board

T. Paul  
Company Secretary

V. Mehra  
Managing Director  
DIN - 03556680

G. B. Aayeer  
Chief Financial Officer & Director  
DIN - 00087760

## **INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SAREGAMA INDIA LIMITED**

### **To the Members of Saregama India Limited**

1. We have audited the accompanying consolidated financial statements of Saregama India Limited ("hereinafter referred to as the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its jointly controlled entity; (refer Note 31 to the attached consolidated financial statements), comprising of the consolidated Balance Sheet as at March 31, 2015, the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Financial Statements").

### **Management's Responsibility for the Consolidated Financial Statements**

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its jointly controlled entity in accordance with accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of Consolidated Financial Statements. The respective Board of Directors of the companies included in the Group and of its jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its jointly controlled entity respectively and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### **Auditors' Responsibility**

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in subparagraph 8 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### **Opinion**

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group, and its jointly controlled entity as at March 31, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

### **Other Matter**

8. We did not audit the financial statements/financial information of four subsidiaries and a jointly controlled entity whose financial statements/financial information reflect total assets of ₹ 1,234.41 lacs and net assets of ₹ 441.54 lacs as at March 31, 2015, total revenue of ₹ 1,587.84 lacs, net loss of ₹ 414.65 lacs and net cash flows amounting to ₹ 76.82 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements/financial information have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entity and our report in terms of sub-sections (3) and (11) of Section 143 of the Act insofar as it relates to the aforesaid subsidiaries and jointly controlled entity is based solely on the reports of the other auditors.

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS for the Year Ended 31st March, 2015**

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

**Report on Other Legal and Regulatory Requirements**

9. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company, subsidiary companies and jointly controlled company incorporated in India (Refer Note 31 to the consolidated financial statements), we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
10. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law maintained by the Holding Company, its subsidiaries included in the Group, and jointly controlled entity incorporated in India including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company and the reports of the other auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company, its subsidiaries included in the Group, and jointly controlled entity incorporated in India including relevant records relating to the preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and jointly controlled company incorporated in India, none of the directors of the Group companies, and jointly controlled company incorporated in India is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The consolidated financial statements disclose the impact, if any, of pending litigations as at March 31, 2015 on the consolidated financial position of the Group, and its jointly controlled entity (Refer Note 33 to the consolidated financial statements).
    - ii. The Group, and its jointly controlled entity did not have any material foreseeable losses on long-term contracts. The Group and its jointly controlled entity did not have any derivative contract as at March 31, 2015.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies and jointly controlled company incorporated in India during the year ended March 31, 2015.

For Price Waterhouse  
Firm Registration Number: 301112E  
*Chartered Accountants*

Pinaki Chowdhury  
*Partner*  
Membership Number - 057572

Kolkata  
May 29, 2015

**ANNEXURE TO INDEPENDENT AUDITORS' REPORT**

**Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Saregama India Limited on the consolidated financial statements as of and for the year ended March 31, 2015**

i. (a) The Holding Company incorporated in India is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets. Based on the reports of the other auditors of the Holding company's subsidiary (Open Media Networks Private Limited) and the jointly controlled entity incorporated in India, the aforesaid subsidiary and the jointly controlled entity are maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

(b) The fixed assets of the Holding Company incorporated in India have been physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the aforesaid Holding Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management of the aforesaid Holding Company during the year and no material discrepancies have been noticed on such verification. Based on the reports of the other auditors of the Holding company's subsidiary (Open Media Networks Private Limited) and the jointly controlled entity incorporated in India, the fixed assets of the aforesaid subsidiary and the jointly controlled entity have been physically verified by the respective Managements during the year and no material discrepancies have been noticed on such verification. In the opinion of other auditors of the aforesaid subsidiary and jointly controlled entity, the frequency of verification is reasonable.

Based on the report of the auditors of Holding Company's subsidiary (Kolkata Metro Networks Limited), incorporated in India, the aforesaid subsidiary does not have any Fixed Assets for the year ended March 31, 2015 and therefore, provisions of Clause 3(i) of the said Order is not applicable for such subsidiary.

ii. (a) The inventory (excluding stocks with third parties) has been physically verified by the Management of the Holding Company incorporated in India during the year. In respect of inventory of the aforesaid Holding Company lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable. Based on the report of the other auditors of the Holding Company's subsidiary (Open Media Networks Private Limited) and jointly controlled entity incorporated in India, the inventory excluding stocks with third parties of the aforesaid subsidiary have been physically verified by the respective Managements of the aforesaid subsidiary and jointly controlled entity incorporated in India and the frequency of verification is reasonable. In respect of inventory of the aforesaid subsidiary lying with third parties, these have substantially been confirmed by them.

(b) In our opinion, the procedures of physical verification of inventory followed by the Management of the Holding Company incorporated in India are reasonable and adequate in relation to the size of the aforesaid Holding Company and the nature of its business. Based on the report of the other auditors of the Holding Company's subsidiary (Open Media Networks Private Limited) and jointly controlled entity incorporated in India, the procedures of physical verification of inventory followed by the respective Managements of the aforesaid subsidiary and jointly controlled entity are reasonable and adequate in relation to the size of the respective Companies and the nature of their respective businesses.

(c) On the basis of our examination of the inventory records of the Holding Company incorporated in India, in our opinion the aforesaid Holding Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory of the aforesaid Holding Company as compared to the book records were not material.

Based on the report of the other auditors of Holding Company's subsidiary (Open Media Network Private Limited) and the Jointly Controlled Entity, incorporated in India, the aforesaid subsidiary and the jointly controlled entity are maintaining proper records of inventory and the discrepancies noticed on physical verification as compared to the respective book records were not material.

Based on the report of the auditors of the Holding Company's subsidiaries (Kolkata Metro Networks Limited), incorporated in India, the aforesaid subsidiary is a service company, and does not hold any inventory and therefore, the provisions of Clause 3(ii) of the said Order is not applicable for such subsidiary.

iii. The Holding Company incorporated in India has granted unsecured loans, to two companies and a body corporate covered in the register maintained under Section 189 of the Act. The aforesaid Holding Company has not granted any other secured/ unsecured loans to companies, firms or other parties covered in the register maintained under Section 189 of the Act.

(a) Except for an amount aggregating ₹ 879.91 lacs outstanding towards principal and interest, the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable in respect of the unsecured loans granted by the aforesaid Holding Company.

(b) In respect of the aforesaid loans, in the cases where the overdue amount is more than Rupees One Lakh, in our opinion, reasonable steps have been taken by the aforesaid Holding Company for the recovery of the principal amounts and interest.

Based on the reports of the other auditors of the Holding company's subsidiaries and jointly controlled entity incorporated in India, the aforesaid subsidiaries and jointly controlled entity incorporated in India have not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii) of the said Order are not applicable to the aforesaid subsidiaries and jointly controlled entity.



**ANNEXURE TO INDEPENDENT AUDITORS' REPORT (Contd.)**

- iv. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Holding Company incorporated in India and the nature of its business for the purchase of fixed assets and for the sale of goods and services. The aforesaid Holding Company has not purchased any inventory item during the year. Further, on the basis of our examination of the books and records of the aforesaid Holding Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.

Based on the report of the other auditors of the Holding Company's subsidiaries incorporated in India, there is an adequate internal control system commensurate with the size of the aforesaid subsidiaries and the nature of their respective businesses for the purchase of inventory and fixed assets and for the sale of services, where applicable. The aforesaid subsidiaries' operations do not involve sale of goods. Further, based on the reports of the other auditors of the aforesaid subsidiaries, they have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.

Based on the report of the other auditors of the Holding Company's jointly controlled entity incorporated in India, there has been no purchase of inventory and fixed assets and sale of goods and services during the year by the aforesaid jointly controlled entity. Therefore, the provisions of Clause 3(iv) of the said Order is not applicable to the aforesaid jointly controlled entity.

- v. The Holding Company incorporated in India has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified. Based on the reports of the other auditors of the Holding Company's subsidiaries and the jointly controlled entity incorporated in India as furnished to us, the aforesaid subsidiaries and jointly controlled entity have not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Holding Company incorporated in India, its subsidiaries and jointly controlled entity incorporated in India.

Based on the reports of the other auditors of the Holding Company's subsidiaries and the jointly controlled entity incorporated in India, the maintenance of cost records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act.

- vii. (a) According to the information and explanations given to us and the records of the Holding Company incorporated in India examined by us, in our opinion the aforesaid Holding Company is generally regular in depositing undisputed statutory dues in respect of income tax, sales tax and service tax, though there has been a slight delay in few cases, and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, wealth tax, duty of customs, duty of excise, value added tax and other material statutory dues, as applicable, with the appropriate authorities. Based on the report of the other auditors of the Holding Company's subsidiaries and the jointly controlled entity incorporated in India, the aforesaid subsidiaries and the jointly controlled entity are regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Holding Company incorporated in India examined by us, there are no dues of wealth-tax, service-tax and value added tax which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, duty of customs, duty of excise as at March 31, 2015 which have not been deposited on account of a dispute by the aforesaid Holding Company, are as follows:-

Name of the Statute	Nature of Dues	Amount (₹ in Lacs.)	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Excise Duty	88.08	1996-97 to 1998-99	Customs, Excise & Service Tax Appellate Tribunal
Central Sales Tax Act, 1956	Sales Tax	5.35	2005-06 2006-07 2008-09	Joint Commissioner
Central Sales Tax Act, 1956	Sales Tax	2.21	1990-91 2003-04	Deputy Commissioner
Central Sales Tax Act, 1956	Sales Tax	181.48	1999-00 2006-07 2009-10	Additional Commissioner
Central Sales Tax Act, 1956	Sales Tax	146.39	2004-05	Revision Board
Central Sales Tax Act, 1956	Sales Tax	2.43	1998-99 2008-09	Assistant Commissioner of Commercial / sales taxes

ANNEXURE TO INDEPENDENT AUDITORS' REPORT (Contd.)

Name of the Statute	Nature of Dues	Amount (₹ in Lacs.)	Period to which the amount relates	Forum where the dispute is pending
West Bengal Sales Tax Act, 1994	Sales Tax	181.83`	1989-90 1994-95 2000-01 2001-02 2003-04	Deputy Commissioner
West Bengal Sales Tax Act, 1994	Sales Tax	22.51	2004-05	Additional Commissioner
Delhi Sales Tax Act, 1975	Sales Tax	1.55	1991-92	Deputy Commissioner of Commercial Taxes
Tamil Nadu General Sales Tax Act, 1959	Sales Tax	6.75	1986-87 to 1991-92	Tamil Nadu Taxation Special Tribunal
Andhra Pradesh General Sales Tax Act, 1957	Sales Tax	3.28	2004-05	Deputy Commissioner
Kerala General Sales Tax Act, 1963	Sales Tax	0.35	2002-03	Deputy Commissioner of Commercial Taxes
Uttar Pradesh Trade Tax Act, 1948	Sales Tax	2.01	2005-06 2006-07	Joint Commissioner
Customs Act, 1962	Custom duty	52.02	2003-04 to 2007-08	Commissioner of Customs
Income Tax Act, 1961	Income tax	73.82	2000-01	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income tax	977.13	2006-07 2007-08 2008-09 2010-11 2011-12	Commissioner of Income tax Appeal
Income Tax Act, 1961	Income tax	7.86	2010-11 2011-12 2012-13 2013-14 2014-15	Deputy Commissioner

Based on the report of the other auditors of the Holding Company's subsidiaries and the Jointly Controlled Entity incorporated in India, there are no dues of sales-tax, wealth-tax, service-tax, duty of customs, duty of excise and value added tax which have not been deposited on account of any dispute; the particulars of dues of income tax as at March 31, 2015 which have not been deposited on account of a dispute, are as follows:-

Name of the Statute	Nature of Dues	Amount (₹ in Lacs.)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income tax	0.07	2011-12	Commissioner of Income tax Appeal

- c) There are no amounts required to be transferred by the Holding Company to the Investor Education and Protection Fund in accordance with the provisions of the Companies Act, 1956 and the rules made thereunder.

**ANNEXURE TO INDEPENDENT AUDITORS' REPORT (Contd.)**

Based on the reports of the other auditors of the Holding Company's subsidiaries and jointly controlled entity incorporated in India, there are no amounts required to be transferred to the Investor Education and Protection Fund in accordance with the provisions of the Companies Act, 1956 and the rules made thereunder.

- viii. The Holding Company incorporated in India has no accumulated losses as at the end of the financial year and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.

Based on the report of the other auditors of the Holding Company's subsidiary (Open Media Network Private Limited) and jointly controlled entity incorporated in India, the aforesaid subsidiary and jointly controlled entity have accumulated losses exceeding fifty percent of its net worth as at the end of the financial year and the aforesaid subsidiary and jointly controlled entity have also incurred cash losses during the financial year ended on that date and in the immediately preceding financial year.

Based on the report of the other auditors of the Holding Company's subsidiary (Kolkata Metro Networks Limited) incorporated in India, the accumulated losses of the aforesaid subsidiary did not exceed fifty percent of its net worth as at March 31, 2015 and the aforesaid subsidiary has not incurred cash losses in the financial year ended on that date or in the immediately preceding financial year.

- ix. According to the records of the Holding Company incorporated in India examined by us and the information and explanation given to us, the aforesaid Holding Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders, as applicable, as at the balance sheet date.

Based on the report of the other auditors of Holding Company's subsidiaries incorporated in India, as the aforesaid subsidiaries do not have any borrowings from any financial institution or bank nor have they issued any debentures as at the balance sheet date, the provisions of Clause 3(ix) of the said Order are not applicable to the aforesaid subsidiaries.

Based on the report of the other auditors of the jointly controlled entity incorporated in India, except for dues to bank for the period from April 1, 2014 to March 31, 2015 aggregating ₹ 208.31 lacs, the aforesaid jointly controlled entity has not defaulted in repayment of dues to any financial institution or bank or debenture holders, as applicable, as at the balance sheet date.

- x. In our opinion, and according to the information and explanations given to us, the Holding Company, incorporated in India has not given any guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of Clause 3(x) of the said Order are not applicable to the aforesaid Holding Company.

Based on the reports of the other auditors of the Holding Company's subsidiaries and jointly controlled entity incorporated in India, the aforesaid subsidiaries and jointly controlled entity have not given any guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of Clause 3(x) of the said Order are not applicable to the aforesaid subsidiaries and the jointly controlled entity.

- xi. The Holding Company, incorporated in India has not raised any term loans. Accordingly, the provisions of Clause 3(xi) of the said Order are not applicable to the aforesaid Holding Company.

Based on the reports of the other auditors of the Holding Company's subsidiaries and jointly controlled entity incorporated in India, the aforesaid subsidiaries and jointly controlled entity have not raised any term loans. Accordingly, the provisions of Clause 3(xi) of the said Order are not applicable to the aforesaid subsidiaries and the jointly controlled entity.

- xii. During the course of our examination of the books and records of the Holding Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us and based on the reports of the other auditors of the Holding Company's subsidiaries and jointly controlled entity incorporated in India, we/the other auditors have neither come across any instance of material fraud on or by the aforesaid Holding Company, its subsidiaries and jointly controlled entity noticed or reported during the year, nor have we/the other auditors been informed of any such case by the respective Managements of the aforesaid Holding Company, its subsidiaries and jointly controlled entity.

Kolkata  
29th May, 2015

For Price Waterhouse  
Firm Registration No. : 301112 E  
Chartered Accountants

(Pinaki Chowdhury)  
Partner  
Membership No.057572



# ANNUAL REPORT 2014-15

## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2015

(₹ in Lacs)

	Note	As at 31st March, 2015	As at 31st March, 2014
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders ' Funds</b>			
Share Capital	2	1,740.29	1,740.29
Reserves and Surplus	3	15,038.51	14,833.93
Minority Interest		265.56	328.99
<b>Non Current Liabilities</b>			
Long Term Borrowings	4	—	331.33
Other Long Term Liabilities	5	—	18.01
Long Term Provisions	6	166.91	143.13
<b>Current Liabilities</b>			
Short Term Borrowings	7	779.67	881.90
Trade Payables	8	2,752.63	2,605.30
Other Current Liabilities	9	1,854.92	1,773.18
Short Term Provisions	10	2,116.19	1,696.85
		<b>24,714.68</b>	<b>24,352.91</b>
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Fixed Assets	11		
Tangible Assets		7,614.57	8,334.03
Intangible Assets		763.93	1,902.18
Non-Current Investments	12	3,972.12	3,972.12
Deferred Tax Assets (Net)	13	758.89	672.81
Long-term Loans and Advances	14	348.19	316.25
Other Non Current Assets	15	2.00	18.21
<b>Current Assets</b>			
Inventories	16	536.34	294.19
Trade Receivables	17	5,418.86	3,738.47
Cash and Bank Balances	18	581.94	1,038.39
Short-Term Loans and Advances	19	4,717.84	4,066.26
		<b>24,714.68</b>	<b>24,352.91</b>

The Notes are an integral part of these Financial Statements

This is the Consolidated Balance Sheet referred to in our report of even date

For Price Waterhouse  
Firm Registration No. 301112 E  
Chartered Accountants  
(Pinaki Chowdhury)  
Partner  
Membership No. - 057572

Kolkata,  
29th May, 2015

On behalf of the Board

T. Paul  
Company Secretary

V. Mehra  
Managing Director  
DIN - 03556680

G. B. Aayeer  
Chief Financial Officer & Director  
DIN - 00087760

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2015**

(₹ in Lacs)

	Note	Year ended 31st March, 2015	Year ended 31st March, 2014
Revenue from Operations (Gross)	20	18,653.37	17,749.39
Less: Excise Duty		0.08	0.19
Revenue from Operations (Net)		18,653.29	17,749.20
Other Income	21	1,113.79	1,080.57
<b>Total Revenue</b>		<b>19,767.08</b>	<b>18,829.77</b>
Expenses:			
Cost of Materials Consumed and Contract Manufacturing Charges	22	313.22	390.14
Purchase of Stock-in-Trade	23	—	1.40
Cost of Production of Television Serials and Portal	24	7,059.48	5,178.11
Changes in Inventories of Raw Material, Finished Goods [(Increase)/Decrease]	25	(207.59)	518.37
Employee Benefits Expense	26	3,747.45	3,758.14
Finance Costs	27	60.39	293.62
Depreciation and Amortisation Expense	28	626.79	322.70
Other Expenses	29	6,657.48	6,167.14
<b>Total Expenses</b>		<b>18,257.22</b>	<b>16,629.62</b>
<b>Profit Before Exceptional Items and Tax</b>		<b>1,509.86</b>	<b>2,200.15</b>
Exceptional Items	30	911.68	—
<b>Profit Before Tax and Minority Interests</b>		<b>598.18</b>	<b>2,200.15</b>
Tax Expenses :			
Current Tax		—	635.10
Deferred Tax Charge/(Credit)		(28.32)	(127.68)
<b>Profit After Tax and Before Minority Interests</b>		<b>626.50</b>	<b>1,692.73</b>
<b>Allocation for the period</b>			
Minority Interest (Refer Note 40)		(50.22)	(197.81)
<b>Profit After Tax and Minority Interests attributable to Owners of the Parent</b>		<b>676.72</b>	<b>1,890.54</b>
Earnings per Equity Share:	35.2		
[Nominal Value per share ₹ 10/- (Previous Year- ₹ 10/-) ]			
Basic (₹)		3.89	10.86
Diluted (₹)		3.89	10.86

The Notes are an integral part of these Financial Statements

This is the Consolidated Statement of Profit and Loss referred to in our report of even date

For Price Waterhouse  
Firm Registration No. 301112 E  
Chartered Accountants  
(Pinaki Chowdhury)  
Partner  
Membership No. - 057572

Kolkata,  
29th May, 2015

On behalf of the Board

T. Paul  
Company Secretary

V. Mehra  
Managing Director  
DIN - 03556680

G. B. Aayeer  
Chief Financial Officer & Director  
DIN - 00087760

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS for the Year Ended 31st March, 2015**

**1 Significant Accounting Policies**

**(a) Basis of the Preparation of the Financial Statements**

These consolidated Financial Statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis, except for certain Tangible Fixed Assets which are being carried at revalued amounts (as indicated in Notes 11.1, 11.2, 11.3 and 11.4). Pursuant to section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, till the standards of Accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these consolidated financial statements are prepared to comply in all material aspects, with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules 2006 as amended]. Also Refer Note 41

All assets and liabilities have been classified as current or non current as per the Group's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products / service and the time between the acquisition of assets for processing / providing the services and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current, non current classification of assets and liabilities.

**(b) Use of Estimates**

The preparation of the consolidated financial statements in conformity with the generally accepted accounting principles in India requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities as at the balance sheet date, the reported amount of revenue and expenses for the period and disclosure of contingent liability as at the balance sheet date. The estimates and assumptions used in the consolidated financial statements are based upon managements' evaluation of the relevant facts and circumstances as of the date of the consolidated financial statements. Actual results could differ from estimates.

**(c) Fixed Assets**

**(i) Tangible Assets**

Tangible Assets are stated at their original cost less depreciation, where applicable, other than revalued items which are stated at valuation less depreciation, where applicable as referred to in Notes 11.1, 11.2, 11.3 and 11.4.

Impairment loss is recognised wherever the carrying amount of tangible assets of a cash generating unit exceeds its recoverable amount (i.e. higher of net selling price and value in use).

**(ii) Intangible Assets**

The cost incurred for producing / purchasing feature films wherein future economic benefits are established to accrue over medium to long term period are recognised as intangible asset in the year of release at 50% of the cost of making the film including negatives or purchase cost.

Outright acquisition of music copyrights wherein future economic benefits are established are capitalised.

Softwares are capitalised where it is expected to provide future enduring economic benefits. Capitalisation costs includes license fees and cost of implementation / system integration services. The costs are capitalised in the year in which the relevant software is implemented for use.

Impairment loss is recognised wherever the carrying amount of intangible fixed assets of a cash generating unit exceeds its recoverable amount (i.e. higher of net selling price and value in use).

**(d) Depreciation / Amortisation**

Depreciation on original cost and amount added on revaluation of tangible fixed assets is provided on a pro rata basis on the straight line method based on the estimated useful lives of the asset as prescribed under Schedule II to the Companies Act, 2013 which is line with the technical evaluation carried out during the year by the Internal experts. (Also Refer Note 28.1)

Feature Films / Music Copyrights are amortised on a straight line basis over a period of 1-10 years. The Company reviews the expected future revenue potential at the end of each accounting period for appropriate adjustments, where required.

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

**(e) Investments**

Long term investments are stated at cost / cost less write down. Provision for diminution is made to recognise a decline other than temporary in the carrying amount of long term investments as determined by the Board of Directors on periodical review.

Current investments are carried at lower of cost and fair value.

**(f) Inventories**

Inventories are valued at lower of cost and net realisable value.

**(i) Raw Materials and Finished Goods**

The cost is determined on specific identification / weighted average basis, as considered appropriate by the Group, and includes, where applicable, appropriate share of overheads.

Provision is made for obsolete / slow moving / defective stocks, where necessary.

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS for the Year Ended 31st March, 2015 (contd.)**
**(iii) Television Serials**

Television serials under production are included under 'Work-in-Progress' at cost or under.

Untelecasted television serials are stated at lower of cost and net expected revenue and included under 'Finished Goods'.

**(g) Employee Benefits**

Short-term Employee Benefits (i.e. benefits payable within one year) are recognised in the period in which employee services are rendered. Contribution towards superannuation at rates specified in related approved scheme covering eligible employees opting for such contribution is recognised as expense and funded.

Liability towards gratuity (defined benefit), covering eligible employees, is provided on the basis of year-end actuarial valuation using Projected Unit Credit Method. Gratuity is funded.

Accrued liability towards leave encashment benefits (defined benefit), covering eligible employees, evaluated on the basis of year-end actuarial valuation using Projected Unit Credit Method is recognised as charge.

Contribution towards provident fund to Government administered provident fund is recognised as expense.

Actuarial gains / losses arising in Defined Benefit Plans are recognised immediately in the Statement of Profit and Loss as income / expense for the year in which they occur.

Termination benefits represent compensation towards Voluntary Retirement Scheme which is expensed on accrual of liability.

**(h) Sales, Licence Fees and Advertising Revenue**

Revenue from sales is recognised on transfer of significant risks and rewards of ownership to customers based on the agreement with the customers. Licence Fees represent income from music rights.

Revenue relating to television serials is recognised on the basis of telecast / delivery of content, as applicable.

Advertising Revenue from Current Affairs & Features Magazine is recognised in the period in which the magazines are published and are accounted for net of commission and discounts.

**(i) Royalty**

Minimum Guarantee Royalty is recognised as expense within the license period or ten years, whichever is earlier.

Royalty on sales, other than physical sales, is provided on the basis of management's best estimate of the expenditure required to settle the obligation.

Other royalty payments are charged at agreed rates on related sales.

**(j) Foreign Currency Transactions**

Transactions in foreign currency are accounted for at the exchange rates prevailing on the date of transactions. Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at year-end exchange rates. The resultant exchange differences arising from settlement of foreign currency transaction and from year-end restatement are recognised in the Statement of Profit and Loss.

Foreign currency non-monetary items carried in terms of historical cost are reported using the exchange rates at the date of transactions.

**(k) Borrowing Costs**

Borrowing costs, if any, attributable to the acquisition and construction of qualifying assets are added to the cost up to the date when such assets are ready for their intended use. Other borrowing costs are recognised as expense in the period in which these are incurred.

**(l) Taxes on Income**

Current tax is provided as the amount of tax payable in respect of taxable income for the year measured using the applicable tax rules and laws.

Deferred tax is provided on timing differences between taxable income and accounting income measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets are recognised only if there is a virtual / reasonable certainty, as applicable, in keeping with Accounting Standard 22 on 'Accounting for Taxes on Income' that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are reviewed for the appropriateness of their respective carrying amount at each Balance Sheet date.

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

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS for the Year Ended 31st March, 2015 (contd.)**

**(m) Provisions and Contingent Liabilities**

Provisions are recognised when there is a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation as at the Balance Sheet date and are not discounted to its present value.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

**(n) Goodwill on Consolidation**

Goodwill arising on consolidation are stated at cost and impairment is recognised, where applicable

**(o) Consolidation**

Consolidated financial statements relate to Saregama India Limited, the Parent Company and its subsidiaries and Joint venture (the Group). The consolidated financial statements are in conformity with the Accounting Standard 21 on "Consolidated Financial Statements" and Accounting Standard - 27 on "Financial Reporting of Interests in Joint Ventures", notified under Section 211(3C) of the Companies Act, 1956 of India (the Act) and are prepared as set out below:

- 1) The financial statements of the Parent Company and its subsidiaries have been combined on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses, after adjustments / elimination of inter-company balances, transactions including unrealized profits on inventories etc, if any.
- 2) Interest in Joint Ventures have been accounted by using the proportionate consolidation method as per Accounting Standard - 27 "Financial Reporting of Interests in Joint Ventures".
- 3) The consolidated financial statements are prepared by adopting uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent required and possible, in the same manner as the Parent Company's separate financial statements.
- 4) The financial statements of foreign operation (prepared other than in Indian rupees) is translated using the principles and procedures as if the transactions of the foreign operation had been those of the reporting enterprise.
- 5) The excess of cost to the Parent Company of its investment in the subsidiaries over the Parent's portion of equity of the subsidiaries at the dates they became subsidiaries is recognized in the financial statements as Goodwill.
- 6) Minority interest in the consolidated financial statements is identified and recognized in the consolidated balance sheet separate from liabilities and the equity of the Company's Shareholders after taking into consideration:
  - i) The amount of equity attributable to minorities at the date on which investments in a subsidiary is made.
  - ii) The minorities' share of movement in equity since the date parent-subsidiary relationship came into existence.
  - iii) Adjustment of the losses attributable to the minorities against the minority interest in the equity of the subsidiaries and thereafter adjustment of the excess of loss, if any, over the minority interest in the equity against the majority interest.

(₹ in Lacs)

**2. SHARE CAPITAL**

**Authorised**

2,50,00,000 (31.03.2014:2,50,00,000) Equity Shares of ₹10/- each

**Issued**

1,74,02,938 (31.03.2014:1,74,02,938) Equity Shares of ₹10/- each

**Subscribed and Paid Up**

1,74,02,938 (31.03.2014:1,74,02,938) Equity Shares of ₹10/- each fully paid up

**TOTAL**

	As at 31st March, 2015	As at 31st March, 2014
2,500.00	2,500.00	2,500.00
1,740.29	1,740.29	1,740.29
1,740.29	1,740.29	1,740.29
1,740.29	1,740.29	1,740.29

- 2.1** Out of 53,38,628 equity shares issued for cash at a premium of ₹35/- (issue price- ₹45/-) pursuant to the Rights Issue in 2005, allotment of 5,290 (31.03.2014- 5,290) equity shares (relating to cases under litigation / pending clearance from the concerned authorities) are kept in abeyance as on 31st March, 2015.



**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS for the Year Ended 31st March, 2015 (contd.)**
**2.2 Number of Equity Shares outstanding as at the beginning and as at the end of the year**

	As at 31st March, 2015		As at 31st March, 2014	
	Number	Amount (₹ Lacs)	Number	Amount (₹ Lacs)
Balance as at the beginning of the year	17,402,938	1,740.29	17,402,938	1,740.29
Balance as at the end of the year	17,402,938	1,740.29	17,402,938	1,740.29

**2.3 Rights, preferences and restrictions attached to shares**

The Parent Company has only one class of equity shares having a par value of Rs10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting except in case of interim dividend.

In the event of liquidation of the Company, the holder of equity shares are eligible to receive remaining assets of the Company in proportion to their shareholding.

**2.4 (i) Shares held by holding company**
**Name of the Shareholder**

Rainbow Investments Limited

	As at 31st March, 2015		As at 31st March, 2014	
	No. of shares held	Amount (₹ Lacs)	No. of shares held	Amount (₹ Lacs)
	10,291,599	1029.16	—	—

(ii) The Parent Company became a subsidiary of Rainbow Investments Limited (RIL) pursuant to a Scheme of Amalgamation and Arrangement between Rainbow Investments Limited and certain companies and their respective shareholders as sanctioned by the Hon'ble High Court at Calcutta vide Order passed during the current year. The certified copy of aforesaid Order has been filed with the Registered of Companies on July 8, 2014 (effective date of the aforesaid Scheme).

**2.5 Details of Shares held by Shareholders holding more than 5% of the aggregate shares in the Parent Company:**
**Name of the Shareholder**

Rainbow Investments Limited  
Adorn Investments Limited  
Adapt Investments Limited  
Universal Industrial Fund Limited  
Rel Utility Engineers Limited

	As at 31st March, 2015		As at 31st March, 2014	
	No. of shares held	Holding Percentage	No. of shares held	Holding Percentage
	10,291,599	59.14%	—	—
	—	—	16,19,092	9.30%
	—	—	11,65,780	6.70%
	—	—	56,34,291	32.38%
	13,19,000	7.58%	13,19,000	7.58%

**2.6 Stock Option Schemes**

Pursuant to approved Saregama Employee Stock Option Scheme 2013 (Scheme), the then Compensation Committee of the Board of Directors of Parent Company has granted shares / options during 2013-14 to certain eligible employees and outstanding as on March 31, 2015 at the following exercise price, being prevailing market price as on date of joining / revision of salary of respective employee :

Name of eligible employees	No. of options/shares	Exercise price per share (₹)
Mr. G. B. Aayeer, Chief Financial Officer and Director	10,000	69.85
Mr. Avinash Mudaliar, Head Internet Products & Services	10,000	53.95

- Vesting schedule of the said options is as follows :-
- After 1 year from the date of grant : 20 % of the options granted
- After 2 years from the date of grant : 20 % of the options granted
- After 3 years from the date of grant : 20 % of the options granted
- After 4 years from the date of grant : 20 % of the options granted
- After 5 years from the date of grant : 20 % of the options granted

Exercise period is 10 years from the vesting date. Exercise of options by the option holders shall entail issuance of equity shares by the Company on compliance / completion of related formalities on the basis of 1:1.

**2.7 Pursuant to Stock Appreciation Rights Scheme 2014, the Nomination and Remuneration Committee of the Board of Directors of the Parent Company has granted 2,00,000 Stock Appreciation Rights (SAR) (being the difference in the share price between the date of grant and the date of exercise) to the Managing Director on October 27, 2014 (being the date of grant) with the following performance linked vesting schedule:-**

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

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS for the Year Ended 31st March, 2015 (contd.)

(₹ in Lacs)

	As at 31st March, 2015	As at 31st March, 2014
<b>3. RESERVES AND SURPLUS</b>		
<b>SECURITIES PREMIUM ACCOUNT</b>		
<b>Balance as per Last Account</b>	<b>10,249.40</b>	10,249.40
<b>REVALUATION RESERVE</b>		
Balance as at the beginning of the year	3,047.27	3,049.84
Less: Adjustment consequent to revision of useful lives pursuant to Schedule II to the Companies Act, 2013 ( Also Refer Note 28.1 )	12.06	—
Less: Transferred to Statement of Profit and Loss (Refer Note 11.4 )	—	2.57
Less: Transferred to General Reserve (Refer Note 11.4)	13.68	—
Balance as at the end of the year	<b>3,021.53</b>	3,047.27
<b>GENERAL RESERVE</b>		
Balance as at the beginning of the year	778.73	718.29
Less: Adjustment consequent to revision of useful lives pursuant to Schedule II to the Companies Act, 2013 ( Also Refer note 28.1 ).	112.14	—
Add: Transferred from Revaluation Reserve( Refer Note 11.4 )	13.68	—
Add: Transferred from Surplus in the Statement of Profit and Loss	—	60.44
Balance as at the end of the year	<b>680.27</b>	778.73
<b>SURPLUS/(DEFICIT) IN THE STATEMENT OF PROFIT &amp; LOSS</b>		
Balance as at the beginning of the year	732.84	(4,510.68)
Less: Adjustment on acquisition of shares in subsidiary from Minority Shareholder	(4.59)	—
Add/(Less): Adjustment for Minority Interest and Goodwill pursuant to dilution of control / (acquisition of shareholding)	(13.21)	3,718.82
Add: Profit for the year	676.72	1,890.54
<b>Less: Appropriations</b>		
Proposed dividend @ ₹ 1.50 per share ( 31.03.2014-₹ 1.50 per Share )	261.04	261.04
Dividend distribution tax on proposed dividend	53.14	44.36
Transfer to General Reserve	—	60.44
Balance as at the end of the year	<b>1,077.58</b>	732.84
	<b>15,028.78</b>	14,808.24
Share of Joint venture [Refer Note 31(b) and 39 ]	9.73	25.69
<b>TOTAL</b>	<b>15,038.51</b>	14,833.93

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS for the Year Ended 31st March, 2015 (contd.)

(₹ in Lacs)

	As at 31st March, 2015	As at 31st March, 2014
<b>4. LONG TERM BORROWINGS</b>		
Secured		
Term Loans		
Vehicle Loans from ICICI Bank Limited	—	161.75
Less: Current maturities of Long Term Debt (referred to in Note 9)	—	48.72
	—	113.03
	—	113.03
Share of Joint venture [Refer Note 31(b) ]	—	218.30
<b>TOTAL</b>	—	331.33

4.1 Term Loans for Vehicle :-

Nature of Security

Vehicle loans from Bank are secured by hypothecation of the vehicles financed.

Terms of Repayment

Vehicle loans are repayable in 36 equated monthly installments from the date of disbursement of respective loans with interest rate ranging between 9.5% and 10.45%. Tranches of above term loans are repayable in:

(₹ in Lacs)

	As at 31st March, 2015	As at 31st March, 2014
Amount Repayable within 1 year	—	48.72
Amount Repayable beyond 1 year but less than 2 year	—	53.75
Amount Repayable beyond 2 year but less than 3 year	—	59.28

(₹ in Lacs)

	As at 31st March, 2015	As at 31st March, 2014
<b>5. OTHER LONG TERM LIABILITIES</b>		
Security Deposit from General Insurance Corporation of India on Sub lease of property	—	18.01
	—	18.01
Share of Joint venture [Refer Note 31(b) ]	—	—
<b>TOTAL</b>	—	18.01

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS for the Year Ended 31st March, 2015 (contd.)**

(₹ in Lacs)

	As at 31st March, 2015	As at 31st March, 2014
<b>6. LONG TERM PROVISIONS</b>		
Provision for Employee Benefits		
Leave Encashment	166.91	142.86
	<u>166.91</u>	<u>142.86</u>
Share of Joint venture [Refer Note 31(b) ]	—	0.27
<b>TOTAL</b>	<u>166.91</u>	<u>143.13</u>

(₹ in Lacs)

	As at 31st March, 2015	As at 31st March, 2014
<b>7. SHORT TERM BORROWINGS</b>		
Repayable on demand		
Secured		
Cash Credit from Banks	362.46	466.16
Unsecured		
Inter Corporate Deposits	363.05	370.55
	<u>725.51</u>	<u>836.71</u>
Share of Joint venture [Refer Note 31(b) ]	54.16	45.19
<b>TOTAL</b>	<u>779.67</u>	<u>881.90</u>

7.1 Cash credit from Banks bearing interest rate between 13.5% to 15.6% per annum are secured by the first charge of entire stock of raw materials, stock in process, finished goods, receivables / book debts and other current assets of the Parent Company and pari passu charge on all immovable properties of the Parent Company (present and future) with other consortium banks.

(₹ in Lacs)

	As at 31st March, 2015	As at 31st March, 2014
<b>8. TRADE PAYABLES</b>		
Trade Payables	2,728.70	2,595.56
	<u>2,728.70</u>	<u>2,595.56</u>
Share of Joint venture [Refer Note 31(b) ]	23.93	9.74
<b>TOTAL</b>	<u>2,752.63</u>	<u>2,605.30</u>

(₹ in Lacs)

	As at 31st March, 2015	As at 31st March, 2014
<b>9. OTHER CURRENT LIABILITIES</b>		
Current maturities of Long Term Debt (Refer Note:4)		
Vehicle Loans	—	48.72
Interest Accrued and Due on Deposits from Dealers	32.48	27.79
Interest Accrued and Due on Borrowings	1.09	—
Unpaid Dividends (Refer Note:9.1)	4.99	3.19
Income Received In Advance	167.17	—
Advance from Customers	197.28	448.58
Advance - Subscription	18.64	23.35
Security Deposit from Dealers	98.49	100.18
Dealer's Incentive	39.67	42.64
Liabilities for Expenses	868.16	528.37
Employee Benefits Payable	157.37	217.06
Amount payable to government authorities	217.15	273.33
Advance against proposed sale of certain fixed assets	25.00	25.00
Security Deposit from General Insurance Corporation of India on Sub lease of property	18.01	—
	<u>1,845.50</u>	<u>1,738.21</u>
Share of Joint venture [Refer Note 31(b) ]	9.42	34.97
<b>TOTAL</b>	<u>1,854.92</u>	<u>1,773.18</u>

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS for the Year Ended 31st March, 2015 (contd.)**

9.1 There are no amount due and outstanding to be credited to Investor Education and Protection Fund under Section 205C of the Companies Act, 1956 as at year end.

(₹ in Lacs)

**10. SHORT TERM PROVISIONS**

	As at 31st March, 2015	As at 31st March, 2014
Provision for Employee Benefits		
Leave Encashment	27.25	40.22
Gratuity (Refer Note 26.1)	41.49	13.38
Other Provisions		
Provision for Royalty on License Fees (Refer Note:10.1)	1,686.87	1,285.73
Provision for Wealth Tax	30.00	30.00
Provision for Returns of Magazines	16.40	21.81
Provision for Proposed Dividend	261.04	261.04
Provision for Dividend Distribution Tax on Proposed Dividend	53.14	44.36
	<u>2,116.19</u>	<u>1,696.54</u>
Share of Joint venture [Refer Note 31(b) ]	-	0.31
<b>TOTAL</b>	<u>2,116.19</u>	<u>1,696.85</u>

(₹ in Lacs)

**10.1 Movements of Provision for Royalty on Licence Fees**

	As at 31st March, 2015	As at 31st March, 2014
Carrying amount at the beginning of the year	1,285.73	1,691.63
Add: Created during the year	<u>1,319.19</u>	<u>1,135.77</u>
	2,604.92	2,827.40
Less: Excess provision of earlier years, written back	94.90	34.32
Less: Amounts utilised during the year	<u>823.15</u>	<u>1,507.35</u>
Carrying amount at the end of the year	<u>1,686.87</u>	<u>1,285.73</u>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS for the Year Ended 31st March, 2015 (contd.)

A) Tangible Assets	Gross Block				Depreciation and Amortisation				Provision for Loss on Impairment of Fixed Assets				Net Block	
	Cost/Valuation as at 31st March, 2014	Additions during the year	Deletions/ Adjustments during the year	Cost/Valuation as at 31st March, 2015	Up to 31st March, 2014	For the Year	On Deletions/ Adjustments during the year	Adjustment consequent to revision of useful lives pursuant to schedule II to the Companies Act, 2013. (Also Refer Note 28.1)	Up to 31st March, 2015	For the Year	On Deletions/ Adjustments during the year	Up to 31st March, 2015	As at 31st March, 2015	As at 31st March, 2014
Land - Freehold	6,567.47	—	—	6,567.47	—	—	—	—	—	—	—	6,567.47	6,567.47	
Buildings - Freehold	771.96	—	—	771.96	366.70	22.65	—	36.66	426.01	—	—	345.95	405.26	
Leasehold Buildings	70.60	—	—	70.60	31.30	0.80	—	—	32.10	—	—	38.50	39.30	
Plant and Equipment	1,790.92	—	17.82	1,773.10	1,676.62	25.92	17.82	63.04	1,747.76	—	—	25.34	114.30	
Furniture and Fittings	803.29	137.81	101.96	839.14	408.67	84.98	56.29	18.99	456.35	—	—	382.79	394.62	
Office Equipment	1,676.34	121.29	7.41	1,790.22	1,286.95	209.28	4.75	59.31	1,550.79	—	—	239.43	389.39	
Vehicles	252.15	—	179.02	73.13	49.57	18.67	14.16	3.96	58.04	—	—	15.09	202.58	
<b>TOTAL</b>	11,932.73	259.10	306.21	11,885.62	3,819.81	362.30	93.02	181.96	4,271.05	—	—	7,614.57	8,112.92	
Share of Joint venture [Refer Note 31(b)]	315.22	—	—	315.22	94.11	—	—	—	94.11	—	—	—	221.11	
<b>TOTAL</b>	12,247.95	259.10	306.21	12,200.84	3,913.92	362.30	93.02	181.96	4,365.16	—	—	7,614.57	8,334.03	
Previous Year	12,099.31	259.19	110.55	12,247.95	3,795.62	196.12	77.82	—	3,913.92	—	—	—	8,334.03	

  

B) Intangible Assets	Gross Block				Amortisation				Provision for Loss on Impairment of Fixed Assets				Net Block	
	Cost/Valuation as at 31st March, 2014	Additions during the year	Deletions/ Adjustments during the year	Cost/Valuation as at 31st March, 2015	Up to 31st March, 2014	For the Year	On Deletions/ Adjustments during the year	Up to 31st March, 2015	Up to 31st March, 2014	For the Year	On Deletions/ Adjustments during the year	Up to 31st March, 2015	As at 31st March, 2015	As at 31st March, 2014
Goodwill on Consolidation	943.92	135.14	—	1,079.06	—	—	—	—	—	1,079.06	—	1,079.06	—	943.92
Copyrights—Music	1,737.00	68.25	—	1,805.25	906.27	212.77	—	1,119.04	—	—	—	686.21	830.73	
Feature Film	3,759.72	—	—	3,759.72	3,759.72	—	—	3,759.72	—	—	—	—	—	
Softwares	639.41	1.91	—	641.32	511.88	51.72	—	563.60	—	—	—	77.72	127.53	
<b>TOTAL</b>	7,080.05	205.30	—	7,285.35	5,177.87	264.49	—	5,442.36	—	—	—	1,079.06	763.93	
Share of Joint venture [Refer Note 31(b)]	7.61	—	—	7.61	7.61	—	—	7.61	—	—	—	—	—	
<b>TOTAL</b>	7,087.66	205.30	—	7,292.96	5,185.48	264.49	—	5,449.97	—	—	—	1,079.06	763.93	
Previous Year	5,641.22	1,446.44	—	7,087.66	5,056.33	129.15	—	5,185.48	—	—	—	—	1,902.18	

**11.1** Based on valuation reports of valuers, appointed for the purpose, the tangible fixed assets of Parent Company (other than furniture and fittings, office equipment, vehicles and certain items of plant and equipment) were revalued on 31st March, 1984 and again (except for those relating to record making machinery items) on 30th September, 1987 after considering the then (a) current market value/ derived rates attributable to land (b) current replacement cost after depreciation etc. and an amount of ₹587.31 lacs and ₹628.19 lacs were added to the book value of the related assets (with corresponding credit to Fixed Asset Revaluation Reserve) on 31st March, 1984 and 30th September, 1987 respectively.

**11.2** Certain tangible fixed assets of the Parent Company viz Land and Buildings were revalued in June 2003 by registered valuers at the lower of current replacement cost and realisable value. Resultant incremental value amounting to ₹2,374.11 lacs were added to the book value of the related assets with utilisation of the corresponding credit amount pursuant to an approved scheme of arrangement.

**11.3** Parent Company's land was revalued on 31st March, 2007 by registered valuers, at lower of current replacement cost and realisable value. Resultant incremental value amounting to ₹4,421.30 lacs were added to the book value of land with corresponding credit to Revaluation Reserve of ₹2,697.56 lacs and utilisation of the balance amount of ₹1,723.74 lacs pursuant to a sanctioned scheme of amalgamation of erstwhile Saregama Films Limited with the Parent Company in 2006-07.

**11.4** In respect of tangible fixed asset covered by revaluation made in the earlier years, depreciation has been calculated on their respective revalued amounts. Depreciation on account of incremental amount, to the extent of ₹13.68 lacs for the current year and ₹2.57 lacs for the previous year, has been transferred from Revaluation Reserve to General Reserve and the Statement of Profit and Loss respectively.

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS for the Year Ended 31st March, 2015 (contd.)**
**12. NON CURRENT INVESTMENTS**

	Number		Face Value of each share/unit	₹ in Lacs	
	As at 31st March, 2015	As at 31st March, 2014		Book Value as at 31st March, 2015	Book Value as at 31st March, 2014
<b>A. Long Term : Other than Trade Investment (valued at cost unless stated otherwise)</b>					
<b>1. Fully Paid Equity Shares in Other Companies</b>					
<b>Quoted</b>					
CESC Limited.	1,544,988	15,44,988	Rs.10	<b>3,971.86</b>	3,971.86
Phillips Carbon Black Limited.	100	100	Rs.10	<b>0.06</b>	0.06
Harrisons Malayalam Limited.	100	100	Rs.10	<b>0.04</b>	0.04
CFL Capital Financial Services Limited.	100	100	Rs.10	<b>0.02</b>	0.02
STEL Holdings Ltd (formerly Sentinel Tea and Exports Ltd.)	100	100	Rs.10	—	—
<b>Unquoted</b>					
Spencer and Company Limited.	200	200	Rs.9	<b>0.07</b>	0.07
Woodlands Multispeciality Hospital Limited	2,250	2,250	Rs.10	<b>0.07</b>	0.07
Timbre Media Private Ltd @	2,30,000	2,30,000	Rs.10	—	—
				<b>3,972.12</b>	3,972.12
				<b>3,972.12</b>	3,972.12
Aggregate Amount of Quoted Investments				<b>3,971.98</b>	3,971.98
Aggregate Market Value of Quoted Investments				<b>9,329.61</b>	7,732.01
Aggregate Amount of Unquoted Investments				<b>0.14</b>	0.14

@ Acquired during the year 2012-13 pursuant to clause 3.8 of the agreement entered into between Saregama India Limited and Timbre Media Private Limited.

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS for the Year Ended 31st March, 2015 (contd.)**

(₹ in Lacs)

**13. DEFERRED TAX ASSET / LIABILITIES (NET)**

The major components of Deferred Tax Liabilities and Assets are:-

Deferred Tax Asset on :-

	As at 31st March, 2015	As at 31st March, 2014
Provisions for doubtful debts/advances	610.37	621.27
Expenditure allowable for tax purpose in subsequent years	45.31	85.54
Total (A)	655.68	706.81
Deferred Tax (Asset) / Liability on Depreciation	(103.21)	34.00
Total (B)	(103.21)	34.00
Deferred Tax Asset (Net) (A-B)	758.89	672.81
Share of Joint venture [Refer Note 31(b)]	—	—
<b>TOTAL</b>	<b>758.89</b>	<b>672.81</b>

(₹ in Lacs)

**14. LONG TERM LOANS AND ADVANCES**

**Capital Advances**

Unsecured considered Good	10.50	0.80
Unsecured considered Doubtful	14.88	10.38
Less: Provision for Doubtful advances	14.88	10.38

**Security Deposits**

Unsecured considered Good	335.07	308.66
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**Loan to Employees**

Unsecured considered Good	2.62	6.16
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	348.19	315.62
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Share of Joint venture [Refer Note 31(b)]	—	0.63
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<b>TOTAL</b>	<b>348.19</b>	<b>316.25</b>
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(₹ in Lacs)

**15. OTHER NON CURRENT ASSETS**

	As at 31st March, 2015	As at 31st March, 2014
– Deposits with maturity more than 12 months	2.00	2.25
	2.00	2.25
Share of Joint venture [Refer Note 31(b)]	—	15.96
<b>TOTAL</b>	<b>2.00</b>	<b>18.21</b>



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS for the Year Ended 31st March, 2015 (contd.)

(₹ in Lacs)

	As at 31st March, 2015	As at 31st March, 2014
<b>16. INVENTORIES [Refer Note:1(f)]</b>		
Raw Materials (including stock-in-transit-₹ 30.12 lacs; 31.03.2014-₹ NIL)	56.47	17.15
Finished Goods		
– Untelecasted Television Serials	479.87	180.43
– Audio Compact Discs, Digital Versatile Discs etc.	— 479.87	91.85 272.28
	<u>536.34</u>	<u>289.43</u>
Share of Joint venture [Refer Note 31(b)]	—	4.76
<b>TOTAL</b>	<u>536.34</u>	<u>294.19</u>

(₹ in Lacs)

	As at 31st March, 2015	As at 31st March, 2014
<b>16.1 Details of Closing Inventories of Raw Material and Finished Goods</b>		
Raw Materials		
– Papers, Digitray, etc.	56.47	17.15
Finished Goods		
– Untelecasted Television Serials	479.87	180.43
– Audio Compact Discs	—	83.44
– Digital Versatile Discs	—	8.18
– Others	— 479.87	0.23 272.28
	<u>536.34</u>	<u>289.43</u>
Share of Joint venture [Refer Note 31(b)]	—	4.76
<b>TOTAL</b>	<u>536.34</u>	<u>294.19</u>

(₹ in Lacs)

	As at 31st March, 2015	As at 31st March, 2014
<b>17. TRADE RECEIVABLES</b>		
Unsecured		
Outstanding for a period exceeding six months from the date they are due for payment		
Considered Good	51.73	271.64
Considered Doubtful	1,832.01	1,727.55
Less: Provision for Doubtful Debts	1,832.01 —	1,727.55 —
Other Debts		
Considered Good	5,367.13	3,466.33
Considered Doubtful	29.34	12.71
Less: Provision for Doubtful Debts	29.34 —	12.71 —
	<u>5,418.86</u>	<u>3,737.97</u>
Share of Joint venture [Refer Note 31(b)]	—	0.50
<b>TOTAL</b>	<u>5,418.86</u>	<u>3,738.47</u>



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS for the Year Ended 31st March, 2015 (contd.)

(₹ in Lacs)

	Year ended 31st March, 2015		Year ended 31st March, 2014	
<b>20. REVENUE FROM OPERATIONS</b>				
<b>Sale of Products</b>				
Pre recorded Cassettes	—		—	
Audio Compact Discs	216.87		324.69	
Digital Versatile Discs	19.57		86.39	
Others	14.90	251.34	50.29	461.37
Less: Excise Duty		0.08		0.19
		251.26		461.18
<b>Sale of Services</b>				
Advertising	144.82		622.26	
Newstand	61.38		58.68	
Income from Television Serials (including Free Commercial Time)	6,442.26		5,623.64	
Licence Fees	11,672.92		10,882.97	
Others	56.73	18,378.11	59.08	17,246.63
Other Operating Revenue		23.92		37.67
		18,653.29		17,745.48
Share of Joint venture [Refer Note 31(b)]		—		3.72
<b>TOTAL</b>		18,653.29		17,749.20

(₹ in Lacs)

	Year ended 31st March, 2015		Year ended 31st March, 2014	
<b>21. OTHER INCOME</b>				
Liabilities/Provisions no longer required written back	881.93		644.32	
Provision for Doubtful Debts/ Advances no longer required written back	66.55		15.43	
Interest Income (Gross)				
– on Bank Deposits	22.70		81.49	
– on Security Deposits	2.41		2.39	
– on Income Tax Refund	6.93		0.79	
– on Inter Corporate Deposits / Loans	—		71.42	
Dividend from Long Term (other than trade ) Investments	123.60		108.15	
Profit on Sale of Tangible Fixed Assets	1.16		0.72	
Rent Income	3.89		52.38	
Net Gain on foreign currency transactions / translation	—		30.26	
Other Non-Operating Income	4.57		7.90	
	1,113.74		1,015.25	
Share of Joint venture [Refer Note 31(b)]	0.05		65.32	
<b>TOTAL</b>	1,113.79		1,080.57	

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS for the Year Ended 31st March, 2015 (contd.)**

(₹ in Lacs)

	Year ended 31st March, 2015	Year ended 31st March, 2014
<b>22. COST OF MATERIAL CONSUMED AND CONTRACT MANUFACTURING CHARGES</b>		
A) Cost of Materials Consumed (Refer Note:22.1)	109.70	125.74
B) Contract Manufacturing Charges (Refer Note:22.2)	203.52	256.42
	<u>313.22</u>	<u>382.16</u>
Share of Joint venture [Refer Note 31(b)]	—	7.98
<b>TOTAL</b>	<u>313.22</u>	<u>390.14</u>

(₹ in Lacs)

	Year ended 31st March, 2015	Year ended 31st March, 2014
<b>22.1 Details of Materials Consumed</b>		
<b>Opening Stock</b>		
– Materials : Paper	17.15	60.34
Materials Purchased		
– Papers, Digitray etc.	149.02	82.55
<b>Less : Closing Stock</b>		
– Materials : Paper	56.47	17.15
	<u>109.70</u>	<u>125.74</u>
Share of Joint venture [Refer Note 31(b)]	—	7.98
<b>TOTAL</b>	<u>109.70</u>	<u>133.72</u>

(₹ in Lacs)

	Year ended 31st March, 2015	Year ended 31st March, 2014
<b>22.2 Details of Contract Manufacturing Charges</b>		
Contract Manufacturing Charges		
– Audio Compact Discs	182.05	163.97
– Digital Versatile Discs	16.90	56.53
– Others	4.57	35.92
	<u>203.52</u>	<u>256.42</u>
Share of Joint venture [Refer Note 31(b)]	—	—
<b>TOTAL</b>	<u>203.52</u>	<u>256.42</u>

(₹ in Lacs)

	Year ended 31st March, 2015	Year ended 31st March, 2014
<b>23. PURCHASE OF STOCK-IN-TRADE</b>		
Share of Joint venture [Refer Note 31(b)]	—	1.40
<b>TOTAL</b>	<u>—</u>	<u>1.40</u>

(₹ in Lacs)

	Year ended 31st March, 2015	Year ended 31st March, 2014
<b>24. COST OF PRODUCTION OF TELEVISION SERIALS AND PORTAL</b>		
Cost of Production of Television Serials (Refer Note:24.1)	7,049.28	5,150.21
Cost of Portal Development	10.20	27.90
	<u>7,059.48</u>	<u>5,178.11</u>
Share of Joint venture [Refer Note 31(b)]	—	—
<b>TOTAL</b>	<u>7,059.48</u>	<u>5,178.11</u>

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS for the Year Ended 31st March, 2015 (contd.)**

	(₹ in Lacs)	
	Year ended 31st March, 2015	Year ended 31st March, 2014
<b>24.1 Details of Cost of Production of Television Serials</b>		
Telecast Fees	1,758.85	1,644.10
Payment to artistes, directors, script-writers, etc.	1,357.61	849.62
Cost of Tapes	0.54	3.10
Food, Lodging and Travel	391.61	205.15
Set, properties and equipment charges	399.70	175.13
Other Production Expenses	2,841.53	2,252.32
Increase / (Decrease) in Inventories of Television Serials	299.44	20.79
	<u>7,049.28</u>	<u>5,150.21</u>
Share of Joint venture [Refer Note 31(b)]	—	—
<b>TOTAL</b>	<u>7,049.28</u>	<u>5,150.21</u>

	(₹ in Lacs)	
	Year ended 31st March, 2015	Year ended 31st March, 2014
<b>25. CHANGES IN INVENTORIES OF FINISHED GOODS</b>		
<b>Opening Stock</b>		
– Finished Goods-Untelecasted Television Serials	180.43	159.64
– Finished Goods-Audio Compact Discs, Digital Versatile Discs, etc	91.85	628.88
	<u>272.28</u>	<u>788.52</u>
<b>Less: Closing Stock</b>		
– Finished Goods-Untelecasted Television Serials	479.87	180.43
– Finished Goods-Audio Compact Discs, Digital Versatile Discs, etc.	—	91.85
	<u>479.87</u>	<u>272.28</u>
	<u>(207.59)</u>	<u>516.24</u>
Share of Joint venture [Refer Note 31(b)]	—	2.13
<b>Net (Increase)/Decrease</b>	<u>(207.59)</u>	<u>518.37</u>

	(₹ in Lacs)	
	Year ended 31st March, 2015	Year ended 31st March, 2014
<b>26. EMPLOYEE BENEFITS EXPENSE</b>		
Salaries and Wages	3,393.79	3,443.06
Contributions to:		
Provident Fund	109.94	111.24
Superannuation Fund	9.99	8.94
Gratuity Fund	61.97	20.74
Employee's State Insurance Scheme (contribution plan)	11.99	18.69
Staff Welfare Expenses	157.99	159.61
	<u>3,745.67</u>	<u>3,738.09</u>
Share of Joint venture [Refer Note 31(b)]	1.78	20.05
<b>TOTAL</b>	<u>3,747.45</u>	<u>3,758.14</u>

**26.1** In keeping with the Group gratuity scheme (a defined benefit plan-funded), eligible employees are entitled to gratuity benefit (at one half months eligible salary for each completed year of service) on retirement / death/incapacitation / resignation etc. Also refer Note 1 (g) for accounting policy relating to gratuity. Following are the further particulars with respect to gratuity.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS for the Year Ended 31st March, 2015 (contd.)

(₹ in Lacs)

	2014-15			2013-14		
	Parent Company	Subsidiary	Share of Joint Venture	Parent Company	Subsidiary	Share of Joint Venture
<b>I. Reconciliation of opening and closing balances of the present value of the Defined Benefit Obligation</b>						
(a) Present Value of Obligation at the beginning of the year	533.50	22.22	N/A	489.80	22.57	0.97
(b) Current Service Cost	31.44	5.25	N/A	34.15	7.00	0.05
(c) Interest Cost	45.19	1.74	N/A	38.48	1.72	0.04
(d) Acquisitions Cost	0.04	—	N/A	—	—	—
(e) Actuarial Loss / (Gain)	34.56	(1.96)	N/A	(11.33)	(5.81)	0.18
(f) (Benefits Paid)	(89.97)	(6.69)	N/A	(17.60)	(3.26)	(0.97)
(g) Present Value of Obligation as at the end of the year	554.76	20.56	N/A	533.50	22.22	0.27
<b>II. Reconciliation of opening and closing balances of the Fair Value of Plan Assets</b>						
(a) Fair Value of Plan Assets at the beginning of the year	520.12	23.77	N/A	463.09	24.96	—
(b) Acquisitions Adjustment	0.24	—	N/A	—	—	—
(c) Expected Return on Plan Assets	45.73	2.31	N/A	43.79	2.10	—
(d) Actuarial Gain / (Loss)	3.99	2.02	N/A	(2.39)	(0.03)	—
(e) Contributions	33.16	10.52	N/A	33.23	—	0.97
(f) (Benefits Paid)	(89.97)	(6.68)	N/A	(17.60)	(3.26)	(0.97)
(g) Fair Value of Plan Assets as at the end of the year	513.27	31.94	N/A	520.12	23.77	—
<b>III. Reconciliation of the present value of Defined Benefit Obligation in 'I' above and the Fair Value of Plan Assets in 'II' above</b>						
(a) Present Value of Obligation as at the end of the year	554.76	20.56	N/A	533.50	22.22	0.27
(b) Fair Value of Plan Assets as at the end of the year	513.27	31.94	N/A	520.12	23.77	—
(c) Liability / (Asset) recognised in the Balance Sheet	41.49	(11.38)	N/A	13.38	(1.55)	0.27
<b>IV. Expense charged to Statement of Profit and Loss</b>						
(a) Current Service Cost	31.44	5.25	N/A	34.15	7.00	0.05
(b) Interest Cost	45.19	1.74	N/A	38.48	1.72	0.04
(c) (Expected Return on Plan Assets)	(45.73)	(2.31)	N/A	(43.79)	(2.10)	—
(d) Acquisitions Cost	(0.20)	—	N/A	—	—	—
(e) Actuarial (Gain) / Loss	30.57	(3.98)	N/A	(8.94)	(5.78)	0.18
(f) Total expense charged to the Statement of Profit and Loss*	61.27	0.70	N/A	19.90	0.84	0.27
*reflected as 'Contribution to Gratuity Fund' in Note 28 on 'Employee Benefits Expense'.						
<b>V. Percentage of each Category of Plan Assets to total Fair Value of Plan Assets as at Balance Sheet date</b>						
(a) Fund with Life Insurance Corporation of India	74%	—	N/A	78%	—	—
(b) NAV based Group Balanced Fund with ICICI Prudential Life Insurance Company Limited	14%	—	N/A	11%	—	—
(c) NAV based Group Short Term Debt Fund with ICICI Prudential Life Insurance Company Limited	6%	—	N/A	6%	—	—
(d) NAV based Group Debt Fund with ICICI Prudential Life Insurance Company Limited	6%	—	N/A	5%	—	—
(e) Fund with Aviva Life Insurance Company India Ltd	—	100%	N/A	—	100%	—
<b>VI. Actual Return on Plan Assets</b>	49.72	4.33	N/A	41.40	2.07	—
<b>VII. Principal Actuarial Assumptions as at Balance Sheet date</b>						
(a) Discount Rate	7.80%	7.80%	N/A	9.25%	9.20%	9.25%
(b) Expected Rate of Return on Plan Assets	9.30%	9.00%	N/A	9.30%	9.00%	—
(c) Salary Escalation	8.50%	7.00%	N/A	8.50%	7.00%	8.50%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The expected rate of return on plan assets is based on the composition of plan assets held, assessed risks of asset management, historical results of the return on plan assets, the Company's policy for plan asset management and other relevant factors.

As the Joint Venture does not have any employee as on March 31, 2015, Actuarial Valuation of Gratuity liability was not carried out as on that date and accordingly disclosures as required by Accounting Standard-15-Employee Benefits are not applicable to the Joint Venture

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS for the Year Ended 31st March, 2015 (contd.)

(₹ in Lacs)					
VIII Other Disclosures					
	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011
<b>A) Parent Company</b>					
a) Present value of the Obligation as at the end of the year	554.76	533.50	489.80	547.99	536.77
b) Fair value of Plan Assets as at the end of the year	513.27	520.12	463.09	590.62	549.91
c) (Surplus) / Deficit as at the end of the year	41.49	13.38	26.71	(42.63)	(13.16)
d) Experience Adjustment on Plan Obligation [Gain / (Loss) ]	5.55	(25.03)	(2.31)	(1.45)	1.16
e) Experience Adjustment on Plan Assets [Gain / (Loss) ]	3.99	(2.39)	(0.63)	0.75	(1.87)
<b>B) Subsidiary</b>					
a) Present value of the Obligation as at the end of the year	20.56	22.22	22.57	15.83	9.37
b) Fair value of Plan Assets as at the end of the year	31.94	23.77	24.96	2.74	2.51
c) (Surplus) / Deficit as at the end of the year	(11.38)	(1.55)	(2.39)	13.09	6.86
d) Experience Adjustment on Plan Obligation [Gain / (Loss) ]	5.42	3.40	2.86	(1.17)	7.85
e) Experience Adjustment on Plan Assets [Gain / (Loss) ]	2.02	(0.03)	(1.01)	—	0.01
<b>C) Share of Joint Venture</b>					
a) Present value of the Obligation as at the end of the year	N/A	0.27	0.97	0.65	0.44
b) Fair value of Plan Assets as at the end of the year	N/A	—	—	—	—
c) (Surplus) / Deficit as at the end of the year	N/A	0.27	0.97	0.65	0.44
d) Experience Adjustment on Plan Obligation [Gain / (Loss) ]	N/A	0.18	(0.04)	(0.04)	(0.01)
e) Experience Adjustment on Plan Assets [Gain / (Loss) ]	—	—	—	—	—

(₹ in Lacs)		
	Year ended 31st March, 2015	Year ended 31st March, 2014
<b>27. FINANCE COSTS</b>		
Interest Expenses	40.12	275.49
Other Borrowing Costs	11.49	5.83
	51.61	281.32
Share of Joint venture [Refer Note 31(b)]	8.78	12.30
<b>TOTAL</b>	<b>60.39</b>	<b>293.62</b>

(₹ in Lacs)		
	Year ended 31st March, 2015	Year ended 31st March, 2014
<b>28. DEPRECIATION AND AMORTISATION EXPENSE</b>		
Depreciation on Tangible Asset	362.30	177.97
Less: Transferred from Revaluation Reserve (Refer Note 11.4)	—	2.57
Amortization on Intangible Asset	264.49	175.40
	626.79	304.44
Share of Joint venture [Refer Note 31(b)]		
Depreciation on Tangible Asset	—	18.15
Amortization on Intangible Asset	—	0.11
<b>TOTAL</b>	<b>626.79</b>	<b>322.70</b>

28.1 The Group has charged depreciation in keeping with the requirements of Schedule II to the Companies Act, 2013. Consequently, the estimated useful lives of fixed assets have been revised, in keeping with the provisions of schedule II to the Companies Act, 2013 effective 1st April, 2014. Pursuant to the said revision in useful lives, the depreciation expense for the year ended 31st March, 2015 is higher and profit before tax is lower by ₹ 209.65 lacs and net book value aggregating ₹ 112.14 lacs (net of deferred tax ₹ 57.76 lacs) and ₹ 12.06 lacs relating to fixed assets, where revised useful lives have expired by 31st March, 2014, has been adjusted against opening balance as on 1st April, 2014 of General Reserve and Revaluation Reserve (for revalued assets) respectively.

The revision of the useful lives will result in the following changes in the depreciation expense as compared to the original useful life of the assets

Particulars	2015-16	2016-17 and Onwards
Increase/(decrease) in depreciation expense	62.79	(260.50)

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS for the Year Ended 31st March, 2015 (contd.)**

(₹ in Lacs)

	Year ended 31st March, 2015	Year ended 31st March, 2014
<b>29. OTHER EXPENSES</b>		
Consumption of Stores and Spare Parts	0.11	0.05
Power and Fuel	133.25	134.40
Rent	293.33	292.75
Repairs – Buildings	25.50	19.00
– Machinery	18.25	13.71
– Others	65.92	62.02
Royalties	1,573.89	1,762.95
Recording Expenses	269.69	103.06
Carriage, Freight and Forwarding Charges	125.95	162.93
Rates & Taxes	56.01	162.55
Insurance	22.23	27.67
Travel and Conveyance	518.57	368.36
Advertisement and Sales Promotion	1,190.68	941.15
Editorial Expenses	86.02	85.38
Printing & Publishing Expenses	69.36	81.47
Printing and Communication Expenses	295.36	357.86
Investment Write off-Long Term	—	0.05
Bad Debts/Advances written off	40.97	—
Provision for Doubtful debts and Advances	351.64	378.19
Provision for Magazine Returns	12.75	14.20
Loss on sale of Fixed Assets	93.89	4.22
Legal/Consultancy Expenses	596.25	508.12
Loss on Foreign Currency Transactions and Translation	33.34	—
Payment to Auditors	65.15	57.48
Contribution towards CSR	54.00	—
Miscellaneous Expense	648.50	569.79
	<b>6,640.61</b>	<b>6,107.36</b>
Share of Joint venture [Refer Note 31(b)]	16.87	59.78
<b>TOTAL</b>	<b>6,657.48</b>	<b>6,167.14</b>

(₹ in Lacs)

	Year ended 31st March, 2015	Year ended 31st March, 2014
<b>30. EXCEPTIONAL ITEMS</b>		
Impairment Loss on Goodwill on Consolidation (Net of arising on Consolidation ₹ 148.35 lacs, 31.03.2014-₹ NIL )	930.71	—
	<b>930.71</b>	—
Share of Joint venture [Refer Note 31(b) and 30.1]	(19.03)	—
<b>TOTAL</b>	<b>911.68</b>	—

**30.1 Share of Exceptional Items from Saregama Regency Optimedia Private Limited (SROPL), Joint Venture comprising the following items:-**

	Year ended 31st March, 2015	Year ended 31st March, 2014
(a) Provision for loss on impairment of fixed assets	221.11	—
(b) Provision for loss on obsolescence of inventories	4.75	—
(c) Write back of External Commercial Borrowings from Regency Media Mauritius (Parent Company of the Joint Venture)	(244.89)	—
	<b>(19.03)</b>	—

- (a) Saregama Regency Optimedia Private Limited (SROPL) closed down its operations in the year 2014-15. Pursuant to fast changing customer preference, in the opinion of the Board of Directors, the company's current business model is considered not viable. According these financial statements have not been prepared on going concern but have been prepared using an alternative basis (Net Realisable Value). On the basis of the SROPL's management assessment and effort, there are no ready-takers for the existing Plant & Machinery and other assets due to technological obsolesces and in the opinion of the Management there is no realizable value for existing inventories. This has led to on additional charge, which has been discloses as Exceptional item in statement of Profit and Loss.  
Provision for Loss on impairment of fixed assets(Share of Joint venture)- ₹ 221.11 lacs  
Provision for Inventories(Share of Joint venture)- ₹ 4.75 lacs
- (b) Share of Joint Venture include Exceptional Item relating to ECB Loan write back of (₹ 244.89 Lakhs) (Previous Year: ₹ NIL) relating to External Commercial Borrowings from Regency Media Mauritius (Parent Company of the Joint Venture) written back.



**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS for the Year Ended 31st March, 2015 (contd.)**

31. The Consolidated Financial Statements have been prepared in accordance with Accounting Standard (AS) 21 "Consolidated Financial Statements" and Accounting Standard (AS) 27 "Financial Reporting of Interests in Joint Ventures", notified under Section 211 (3C) of the Companies Act, 1956.

(a) The subsidiaries [ which along with Saregama India Limited (Parent Company) and jointly controlled entity constitute the Group] considered in the preparation of these Consolidated Financial Statements are:

Name	Country of Incorporation	Proportion of ownership interest as at 31st March, 2015	Proportion of ownership interest as at 31st March, 2014
Saregama Plc.	United Kingdom	70.23%	70.23%
RPG Global Music Limited	Mauritius	100%	100%
Kolkata Metro Networks Limited	India	100%	100%
Open Media Network Private Limited	India	75.18%	58.63%

(b) Group's Interest in Joint Venture (jointly controlled entity) is :

Name	Country of Incorporation	Proportion of ownership interest as at 31st March, 2015	Proportion of ownership interest as at 31st March, 2014
Saregama Regency Optimedia Private Limited	India	26%	26%

Interest in the Joint Venture is accounted for using proportionate consolidation.

32. Capital commitments (net of advances of ₹25.38 Lacs; 31.03.14 - ₹11.18 Lacs) as at 31st March, 2015 are estimated at ₹ 45.68 Lacs (31.03.14 - ₹14.18 Lacs).

33. Contingent liabilities in respect of -

(₹ in Lacs)

	As at 31st March, 2015	As at 31st March, 2014
(i) Guarantees given by Banks	1.50	1.50
(ii) Claims against the Group not acknowledged as debts in respect of -		
Copyright matters	20.00	20.00
Income Tax matters	1,532.83	857.94
Sales tax / value added tax / entry tax matters	588.37	593.00
Excise duty matters	112.16	56.08
Custom duty matters	266.75	266.75

34. Un-hedged exposures in foreign currencies

	As at 31st March, 2015		As at 31st March, 2014	
	Foreign Currency (in'Lacs)	₹ (in 'Lacs)	Foreign Currency (in'Lacs)	₹ (in 'Lacs)
Unsecured Loan - External Commercial Borrowing	NIL	NIL	US\$ 3.65	218.30
Interest on unsecured loan	NIL	NIL	US\$ 0.445	26.59
Balances with Bank	NIL	NIL	US\$ 0.0004	0.02
Trade Receivables	US\$ 2.60	161.66	US\$ 5.21	302.32
Trade Receivables	SAR 0.04	0.63	SAR 0.32	5.13
Trade Receivables	NIL	NIL	MYR 0.75	13.74
Trade Receivables	LKR 9.67	4.44	NIL	NIL
Trade Receivables	NPR 0.05	0.03	NPR 0.14	0.09

35.1 The Company has adopted the intrinsic value method in keeping with the applicable regulatory pronouncements for accounting the stock options granted as referred to in Note 2.6, which has no impact on the financial results of the Company. Had the fair value method been used in keeping with the said pronouncements, net profit for the year would have been lower by about ₹ 1.94 Lac (Previous Year ₹ 0.08 Lac), without any significant impact on basic and diluted earning per share.

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS for the Year Ended 31st March, 2015 (contd.)**
**35.2 Basic and Diluted Loss / Earnings per share :**

	Year ended 31st March, 2015	Year ended 31st March, 2014
Number of equity shares at the beginning of the year	1,74,02,938	1,74,02,938
Number of equity shares at the end of the year	1,74,02,938	1,74,02,938
Weighted average number of equity shares outstanding during the year (A)	1,74,02,938	1,74,02,938
Weighted average number of potential equity shares on account of employee stock options (B)	11,892	31
Weighted average number of equity shares for computing diluted earnings per share [C = (A+B)]	1,74,14,830	1,74,02,969
Nominal value of each equity share (₹)	10	10
Profit after Taxation and Minority Interests available for equity shareholders (₹ in Lacs) [D]	676.72	1,890.54
Basic earnings per share (₹) [D/A]	3.89	10.86
Diluted earnings per share (₹) [D/C]	3.89	10.86

**36. Segment Reporting :**
**Primary Segment information (Business Segments)**

(₹ in Lacs)

Particulars	Year ended 31st March, 2015						Year ended 31st March, 2014					
	Music (also refer Note 30.1(a))	Films/ TV Serials	Publication	Segment Total	Elimination	Consolidated Total	Music	Films/ TV Serials	Publication	Segment Total	Elimination	Consolidated Total
1 Segment Revenue												
– External Sales and License Fees	11,951.01	6,442.26	260.02	18,653.29	-	18,653.29	11,396.32	5,623.64	729.24	17,749.20	-	17,749.20
– Intersegment Sales and License Fees	—	—	—	—	—	—	—	—	—	—	—	—
Total	11,951.01	6,442.26	260.02	18,653.29	—	18,653.29	11,396.32	5,623.64	729.24	17,749.20	-	17,749.20
2 Segment Result *	5,148.54	(691.86)	(837.72)	3,618.96	—	3,618.96	4,245.11	175.18	(392.91)	4,027.38	-	4,027.38
Interest expense not allocated to segments						(48.90)						(282.59)
Other unallocated expenditure (net)						(2,971.88)						(1,544.64)
Profit before taxation and Minority Interests						598.18						2,200.15
3 Segment Assets	12,053.50	3,678.49	389.32	16,121.31	—	16,121.31	12,603.79	2,726.20	393.77	15,723.76	—	15,723.76
Unallocated						8,593.37						8,629.15
Total Assets						24,714.68						24,352.91
4 Segment Liabilities	4,729.18	941.59	333.11	6,003.88	—	6,003.88	5,312.69	325.59	326.66	5,964.94	—	5,964.94
Unallocated						1,666.44						1,484.76
Total Liabilities						7,670.32						7,449.70
5 Segment Capital Expenditure	340.06	—	1.49	341.55			756.66	—	1.51	758.17		
6 Segment Depreciation and amortisation	486.45	1.56	87.06	575.07			297.95	1.49	23.26	322.70		
7 Segment non-cash expenditure other than Depreciation and amortisation	363.77	23.77	5.18	392.72			334.34	21.52	22.33	378.19		
8 Impairment Loss on fixed assets	221.11	—	—	221.11			—	—	—	—		

Business Segments- The internal business segmentation and activities are :-

Music: Manufacturing and sale of Music Cassettes and Compact/Digital Discs, dealing with related music rights

Films/TV Serials : Production and sale/ telecast/broadcast of films/ TV serials, pre recorded programmes and dealing in film rights.

Publication: Printing of printed material

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS for the Year Ended 31st March, 2015 (contd.)**

**Secondary Segment Information ( Geographical Segments)**

	<b>12 Months to 31.03.15</b>	12 Months to 31.03.14
Segment Revenue		
– within India	17,812.95	17,039.87
– outside India	840.34	709.33
<b>TOTAL</b>	<b>18,653.29</b>	<b>17,749.20</b>
Segment Assets		
– within India	16,035.20	15,395.82
– outside India	86.11	327.94
<b>TOTAL</b>	<b>16,121.31</b>	<b>15,723.76</b>
Capital Expenditure		
– within India	341.55	758.17
– outside India	—	—
<b>TOTAL</b>	<b>341.55</b>	<b>758.17</b>

The Geographical Segments considered for disclosure are India and outside India

**37. Related Party Disclosures in keeping with Accounting Standard (AS) 18 notified in the Companies Act, 1956**

<b>Name of Related Party</b>	<b>Current Year</b>	<b>Previous Year</b>	<b>Nature of Relationship</b>
Rainbow Investments Limited. ( RIL )	—	—	Holding Company#
Saregama Regency Optimedia Private Ltd (SROPL)	Saregama Regency Optimedia Private Ltd (SROPL)	Saregama Regency Optimedia Private Ltd (SROPL)	Joint Venture Company
Vikram Mehra* (Managing Director of Parent Company)			Key Management Personnel
S.Mantha ** (Managing Director of Parent Company)		S.Mantha (Managing Director of Parent Company)	Key Management Personnel
G.B.Aayeer (Executive Director of Parent Company)		G.B.Aayeer (Executive Director of Parent Company)	Key Management Personnel
Sanjiv Goenka (From 8th July, 2014)			Chairman

\* Joined with effect from 27th October,2014

\*\* Resigned with effect from 24th April,2014

**Related Party Transactions**

		(₹ in Lacs)					
		<b>Holding Company#</b>	<b>Joint Venture SROPL</b>	<b>Key Management Personnel</b>		<b>Chairman</b>	
				<b>Mr. V. Mehra</b>	<b>Mr. G. B. Aayeer</b>	<b>Mr. S. Mantha</b>	<b>Mr. Sanjiv Goenka</b>
Purchase of Shares of Subsidiary	Current Year	17.80	—	—	—	—	—
	Previous Year	—	—	—	—	—	—
Contract manufacturing charges	Current Year	—	—	—	—	—	—
	Previous Year	—	21.82	—	—	—	—
Rent Expenses	Current Year	—	—	—	—	—	—
	Previous Year	—	12.17	—	—	—	—
Remuneration to Managerial Personnel	Current Year	—	—	152.73	142.34	9.94	—
	Previous Year	—	—	—	126.47	140.53	—
Sitting Fees	Current Year	—	—	—	—	—	0.80
	Previous Year	—	—	—	—	—	—

# Includes Parent Company and an enterprise related to the Parent Company in terms of Para 3(e) of Accounting Standard 18.

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS for the Year Ended 31st March, 2015 (contd.)**

38. (a) Rent and share of Joint Venture disclosed under Other Expenses (Note 29) includes lease payments of ₹156.53 Lacs (31.03.2014 - ₹161.03 Lacs) and ₹ 12.92 Lacs (31.03.2014-₹ 12.39 Lacs) respectively relating to operating leases taken on or after 1st April, 2001. These leasing arrangements range from less than an year to ten years and are primarily in respect of accommodation for employees / office premises. The significant leasing arrangements inter alia include escalation clause and option for renewal.

38. (b) The total of future minimum lease payments under non-cancellable operating leases: (₹ in Lacs)

	Year ended 31st March, 2015		Year ended 31st March, 2014	
	Parent Company	Share of Joint Venture	Parent Company	Share of Joint Venture
Not later than one year	NIL	12.93	NIL	12.93
Later than one year and not later than five years	NIL	NIL	NIL	NIL
More than five years	NIL	NIL	NIL	NIL

38. (c) Rent income includes sub-lease payments of ₹3.89 Lacs (Previous Year - ₹. 52.38 Lacs) for the year relating to sub-lease agreements entered into by the Parent Company on or after 1st April, 2001. These lease arrangements inter alia include escalation clause/option for renewal.

39. Share of Joint Venture ₹ 9.73 Lacs (31.03.2014-₹ 25.69 Lacs) included in ' Reserve and Surplus' (Note 3) represents Fixed Capital Investment Subsidy received in earlier year.

40. Excess of losses applicable to minority shareholders in a consolidated subsidiary over the Minority Interest in the equity of the subsidiary amounting to ₹ 202.71 Lacs (31.03.2014-₹. NIL) have been adjusted against the Majority Interest.

41. Pursuant to fast changing customer preference, in the opinion of the Board of Directors of SROPL, the Joint Vetur's current business model is considered not viable and accordingly, business operations have been stopped during 2014-15.

In view of the above, the financial statements of SROPL for the year ended March 31, 2015 have not been prepared on going concern assumptions, rather prepared using an alternative basis i.e. net realisable value.

However, according to SROPL's management, there are no ready takers for the existing Plant and Equipment and other assets due to technologocal obsolescence and also there is no realizable value for existing inventories. Accordingly, the same have been written off and disclosed as Exceptional Item in statement of Profit and Loss under Note 30.

Name of the Entity	Net Assets, i.e. total assets minus total liabilities		Share in Profit or Loss	
	As % of Consolidated Net Assets	Amount (₹ in Lacs)	As % of Consolidated Profit or Loss	Amount (₹ in Lacs)
<b>Parent</b>				
Saregama India Limited	98.95%	16,602.82	153.85%	1,041.15
<b>Subsidiaries</b>				
<b>Indian</b>				
Kolkata Metro Networks Limited	2.64%	442.53	(10.13%)	(68.55)
Open Media Network Private Limited	0.38%	63.29	(128.91%)	(872.33)
Saregama Regency Optimedia Private Limited (Jointly Controlled Entity)	(0.45%)	(76.24)	(1.23%)	(8.35)
<b>Foreign</b>				
RPG Global Music Limited	(0.17%)	(28.08)	(0.79%)	(5.37)
Saregama Plc	0.24%	40.05	79.79%	539.95
<b>Minority Interests in all subsidiaries</b>				
<b>Indian</b>				
Open Media Network Private Limited	0.00%	-	2.91%	19.70
<b>Foreign</b>				
Saregama Plc	(1.58%)	(265.56)	4.51%	30.52
<b>Total</b>	<b>100.00%</b>	<b>16,778.81</b>	<b>100.00%</b>	<b>676.72</b>

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS for the Year Ended 31st March, 2015 (contd.)**

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43. Previous year's figures have been regrouped or rearranged, where considered necessary, to conform to current year's classification.

Signature to Note 1 to 43

	For Price Waterhouse Firm Registration No. 301112 E <i>Chartered Accountants</i> (Pinaki Chowdhury) <i>Partner</i> Membership No. - 057572		On behalf of the Board	
Kolkata, 29th May, 2015		T. Paul <i>Company Secretary</i>	V. Mehra <i>Managing Director</i> DIN - 03556680	G. B. Aayeer <i>Chief Financial Officer &amp; Director</i> DIN - 00087760

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015**

(₹ in Lacs)

	Year ended 31st March, 2015	Year ended 31st March, 2014
<b>A. Cash Flow from Operating Activities</b>		
Profit Before Tax and Minority Interest	598.18	2,200.15
Adjustments for:		
Depreciation and Amortisation Expenses	626.79	322.70
Bad debt/Advances written off	40.97	—
Provision for Doubtful Debts/Advances	351.75	378.19
Interest Expenses	48.90	282.59
Other Borrowing costs	11.49	11.03
Liabilities/Provisions no longer required written back	(881.93)	(709.26)
Provision for Doubtful Debts/ Advances no longer required written back	(66.55)	(15.43)
Interest Income	(25.11)	(155.59)
Unrealised Loss on foreign currency transactions/translation	—	19.61
Loss on sale of Fixed Assets	93.89	4.22
Profit on sale of Fixed Assets	(1.16)	(0.72)
Investment written off	—	0.05
Exceptional Items (Refer Note 30)	911.68	—
Dividend from Long Term Investments-Other than Trade	(123.60)	(108.15)
	<b>987.12</b>	<b>29.24</b>
<b>Operating profit before Working Capital Changes</b>	<b>1,585.30</b>	<b>2,229.39</b>
<b>Changes in Working Capital:-</b>		
Increase in Trade Payables	842.46	56.91
Increase in Provisions	529.24	89.02
Increase/ (Decrease) in Other Current Liabilities	241.37	(42.46)
(Decrease) in Other Long Term Liabilities	(18.01)	(0.13)
(Increase) in Trade and Other Receivables	(1,842.56)	(424.71)
(Increase)/ Decrease in Inventories	(246.90)	570.75
Decrease in Loans and Advances	35.96	1,413.53
Decrease in Other Non Current Assets	0.25	9.45
	<b>(458.19)</b>	<b>1,672.36</b>
<b>Cash generated from operations</b>	<b>1,127.11</b>	<b>3,901.75</b>
Direct Taxes (net of refund)	(861.28)	(1,161.72)
<b>Net cash generated from Operating Activities</b>	<b>265.83</b>	<b>2,740.03</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(343.46)	(758.17)
Sale of Fixed assets	120.46	29.23
Interest Received	25.11	188.82
Dividend from Long Term Investments-Other than Trade	123.60	108.15
Purchase of shares from Ultimate Holding Company	(17.80)	—
<b>Net cash (used in) Investing Activities</b>	<b>(92.09)</b>	<b>(431.97)</b>

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)**

(₹ in Lacs)

	Year ended 31st March, 2015	Year ended 31st March, 2014
<b>C. Cash Flow from Financing Activities</b>		
Repayment of Long Term Borrowings	(161.75)	(4.30)
Repayment of Short Term Borrowings	(102.23)	(2,051.10)
Proceeds from Long Term Borrowings	-	161.75
Proceeds from Short Term Borrowings	-	20.00
Interest paid	(43.12)	(277.22)
Other borrowing costs paid	(11.49)	(11.03)
Dividend Paid	(259.24)	(259.16)
Dividend Distribution Tax Paid	(44.36)	(44.36)
<b>Net cash (used in) Financing Activities</b>	<b>(622.19)</b>	<b>(2,465.42)</b>
<b>Net Increase in cash and cash equivalents (A+B+C)</b>	<b>(448.45)</b>	<b>(157.36)</b>
Cash and Cash Equivalents at the beginning of the year	994.14	1,151.50
Cash and Cash Equivalents at the end of the year	545.69	994.14

**Notes to Consolidated Cash Flow Statement for the Year ended 31st March, 2015**

- The above Consolidated Cash Flow Statement has been prepared under the Indirect Method as set out in the Accounting Standard 3. On "Cash Flow Statements" prescribed under the Companies Act of India.
- Cash and Cash equivalents comprise of:-

(₹ in Lacs)

	As at 31st March, 2015	As at 31st March, 2014
Cash on hand	5.85	3.68
Cheques on hand	—	0.03
Bank Balances	533.59	983.50
Unpaid Dividend @	4.99	3.19
Share of Joint Venture [Note 31(b) to the Consolidated Financial Statements]	1.26	3.74
<b>TOTAL</b>	<b>545.69</b>	<b>994.14</b>

@ Represents not available for use by the Company.

- The above Consolidated Cash Flow Statement does not include conversion of borrowings taken from Minority Shareholders by Open Media Network Private Limited (OMNPL), a subsidiary of Parent Company, into Equity Shares of OMNPL amounting to ₹ NIL (31.03.2014- ₹ 2,966.40 Lacs), being non cash transaction.
- Previous year's figures have been regrouped / rearranged, where considered necessary.  
This is the Consolidated Cash Flow Statement referred to in our report of even date

For Price Waterhouse  
Firm Registration No. 301112 E  
Chartered Accountants  
(Pinaki Chowdhury)  
Partner  
Membership No. - 057572

Kolkata,  
29th May, 2015

On behalf of the Board

T. Paul  
Company Secretary

V. Mehra  
Managing Director  
DIN - 03556680

G. B. Aayeer  
Chief Financial Officer & Director  
DIN - 00087760

**FORM AOC - I**

**(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of the financial statement of subsidiaries / associate companies/ joint ventures**

**Part "A": Subsidiaries**

(₹ in Lacs)

Name of the subsidiary	Saregama Plc.	RPG Global Music Limited	Kolkata Metro Networks Ltd	Open Media Network Private Limited
1. Reporting period for the subsidiary concerned, if different from the holding company's reporting period	No	No	No	No
2. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	GBP (Refer "#" below)	INR		
3. Share capital	48.52	1,026.20	1,705.00	107.56
4. Reserves & surplus	0.74	(1,468.45)	(191.71)	(924.18)
5. Total assets	466.07	13.98	1,931.37	396.39
6. Total Liabilities (excluding Capital and Reserves)	416.80	456.23	418.08	1,213.01
7. Details of Investment (except in case of investment in the Subsidiaries)	-	-	1,675.80	-
8. Turnover	587.47	18.69	60.80	776.01
9. Profit/(Loss) before taxation	(121.23)	(8.82)	(26.49)	(891.66)
10. Provision for taxation	-	-	-	-
11. Profit after taxation	(121.23)	(8.82)	(26.49)	(891.66)
12. Proposed Dividend	-	-	-	-
13. % of shareholding	70.23%	100%	100%	75.18%

# - Exchange rates as at year end considered for conversion:

GBP 1 = Rs 91.62 for Current Asset (Closing Buying Rate), Fixed Asset, Share Capital. Share Premium at Historical cost

GBP 1 = Rs 93.49 for Secured loan and Current Liabilities & Provision (Closing Selling Rate)

GBP 1 = Rs 99.64 for Income (Average Selling Rate)

GBP 1 = Rs 97.67 for Expense (Average Buying Rate)

**Part "B": Associates and Joint Ventures**

(₹ in Lacs)

Name of Associates/Joint Ventures	Saregama Regency Optimedia Private Limited
1. Latest audited Balance Sheet Date	31st March, 2015
2. Shares of Associate/Joint Ventures held by the company on the year end	
No.	1,459,684
Amount of Investment in Associates/Joint Venture	145.97
Extend of Holding %	26%
3. Description of how there is significant influence	N.A.
4. Reason why the associate/joint venture is not consolidated	N.A.
5. Networth attributable to Shareholding as per latest audited Balance Sheet	(76.23)
6. Profit / Loss for the year	
i. Considered in Consolidation	(61.83)
ii. Not Considered in Consolidation	(175.98)

For Price Waterhouse  
Firm Registration No. 301112 E  
Chartered Accountants  
(Pinaki Chowdhury)  
Partner  
Membership No. - 057572

Kolkata,  
29th May, 2015

On behalf of the Board

T. Paul  
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