

**Date: 8<sup>th</sup> August, 2025**

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

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

**Symbol: SAREGAMA**

**Scrip Code: 532163**

**Subject: Q1FY26 Earning Conference Call-Transcripts**

Dear Sir/ Madam,

In continuation to our letter dated 29<sup>th</sup> July, 2025 and pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**‘SEBI Listing Regulations’**) as amended, please find enclosed the transcripts of the Q1FY26 Earnings Conference Call held on Friday, 1<sup>st</sup> August 2025 at 11:30 A.M. (IST) for the quarter ended on 30<sup>th</sup> June, 2025.

This information is available on the website of the Company [www.saregama.com](http://www.saregama.com)

You are requested to kindly take the abovementioned on record.

Yours Faithfully,  
For **SAREGAMA INDIA LIMITED**

**Priyanka Motwani**  
**Company Secretary and Compliance Officer**

**Encl:** As above



“Saregama India Limited  
Q1 FY26 Earnings Conference Call”  
August 01, 2025



**MANAGEMENT:** MR. VIKRAM MEHRA – MANAGING DIRECTOR  
MR. PANKAJ CHATURVEDI – CHIEF FINANCIAL  
OFFICER  
MR. ANAND KUMAR – GROUP HEAD – INVESTOR  
RELATIONS  
MR. PANKAJ KEDIA – EXECUTIVE DIRECTOR –  
INVESTOR RELATIONS

**MODERATOR:** MR. PRANAV KSHATRIYA – EMKAY GLOBAL  
FINANCIAL SERVICES LIMITED

**Moderator:** Ladies and gentlemen, good day, and welcome to Saregama India Limited Q1 FY26 Earnings Conference Call hosted by Emkay Global Financial Services Limited. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that, this conference is being recorded.

I now hand the conference over to Mr. Pranav Kshatriya from Emkay Global Financial Services Limited. Thank you, and over to you, sir.

**Pranav Kshatriya:** Thank you. Good morning, everyone. I would like to welcome the management and thank them for this opportunity. We have with us today Mr. Vikram Mehra, Managing Director; Mr. Pankaj Chaturvedi, CFO; Mr. Anand Kumar, Group Head, Investor Relations; and Mr. Pankaj Kedia, Executive Director, Investor Relations.

I shall now hand over the call to the management for their opening remarks. Thank you, and over to you, guys.

**Vikram Mehra:** A very good morning to all of you people. This quarter saw our operating revenue of INR 206 crores and a PBT of INR 51 crores. This specific quarter was affected by multiple factors, primarily being a lot of movies that were planned for quarter 1 got postponed.

As always, I'll request all of you to evaluate us on a rolling 12-month basis and please not on a quarter-by-quarter basis. Let's start with the first vertical, music, which comprises of licensing and artiste management.

This segment grew by 12% on a year-on-year basis. We are confident of achieving 22% to 23% annual growth on a medium-term basis under the music vertical. We have been maintaining that position in the past, and we continue maintaining this position.

This quarter saw release of successful Tamil film albums, Thug Life with 2 of the songs topplings Spotify charts. This is a Kamal Haasan and Mani Ratnam movie -- and AR Rahman music. Two Telugu songs from film Court and Hit 3 also fared very well and topped Telugu Spotify charts.

Similarly, songs from the Bengali Film Dhumketu have been hitting YouTube charts. Our other big release was Jacqueline and Neil Nitin Mukesh starrer Digital Show (Musical Drama) called Hai Junoon, which came on JioHotstar. This had a great combination of a lot of new original songs as well as recreations of some of the biggest songs that Saregama owns.

On the non-film side, we continue our focus and released a lot of songs, but primarily of our own exclusive artists like Mahi, Keshav, Gujarati Superstar- Jignesh Barot. Overall, company released 1,000-plus original and premium recreations across Hindi, Bhojpuri, Gujarati, Tamil, Telugu, Malayalam, Marathi and Bengali languages.

I think a big highlight, which is more of July, but I want to share with you something we are very, very happy and proud about is the acquisition of the biggest and the most popular Haryanvi

music catalog under the company name called NAV Records, with 6,500 tracks across Haryanvi, Punjabi, Ghazals, Devotional, and Indie Pop.

Some of the songs here have a YouTube viewership, which is higher than even the biggest song that Saregama owns today. And Haryanvi always used to be an area where Saregama didn't have strength. So, it helps us in filling that gap beautifully.

This acquisition also includes popular YouTube channels like NAV Haryanvi and Nupur Audio with an overall 24 million subscriber base. This deal will be funded entirely through our QIP money. We are still in the process to operationalize it, and I expect the revenues will start flowing through our book from quarter 3 onwards.

Overall, our spend for the new content for this year will be somewhere between INR 350 crores to INR 380 crores. But most of our big releases are scheduled at this juncture between Q3 and Q4.

This includes Ranveer Singh's, Dhurandhar; Sanjay Leela Bhansali's, Love & War; Dharma's movie, which is the Kartik Aaryan starrer, Main Tera Tu Meri Tu Mera Main Teri, Telugu superstar Nani's Paradise, Tamil – Dhanush's Idly Kadai; Kannada superstar Darshan's Devil; and in Tamil also Sivakarthikeyan's Parasakthi.

With all these investments that we people are doing, we continue with a guidance of a 5-year payback period. And after that, we have another 55 to 75 years in front of us to keep on reaping the returns. This quarter, which is April to June, was our second quarter which faced the pressure of Airtel Wynk closing, around November last year.

They were last of the people who had to either shut down or move from free to pay. This cycle should get over, by the time we people are in the middle of Q3. On the YouTube side, quarter 1 saw some pressure due to advertising stopping from primarily during the Indo-Pakistan war, but it normalized by early June.

As I stated earlier, I think the biggest impact was on account a lot of movies getting pushed to the later quarters. Unlike last year, where Q1 saw our biggest releases of the year, we had Tauba Tauba song hitting out there in Q1.

We had Chamkila and which was a massive movie of Imtiaz Ali, and Diljit Dosanjh. That had hit us in quarter 1. And Kalki, which is Prabhas movie in Telugu and, Amitabh Bachchan was also featuring in that. All that hit in Q1. So suddenly when you do a quarter 1 to quarter 1, these kinds of issues keep on happening.

That's why I keep on requesting and urging all of you guys, please see us on a rolling 12-month basis. You get a far better picture. Artiste Management, the newest vertical under music monetization, where artists are made popular through IP releases and then we monetize these artists by booking them for live events, weddings, and brand endorsements from which Saregama gets a share.

During this quarter, 25 plus new influencers and artistes were added taking a total count of the artists that we are managing in the company to 230 plus. And between these 230 plus artists, they have a 200 million follower base on Instagram and YouTube.

The artiste that we are super proud of, who became part of the family, was Dr. Kumar Vishwas, a poet, right now of Ultimate Fame. As our investment in new content goes, these artistes are going to become bigger and bigger and we believe that with digital advertising growing at 15% per annum, biggest beneficiary of these will be the artists and influencer.

And as the number 1 agency that is representing these artistes and helping them grow, we stand to benefit in short to medium run. On the video front, this was a softer quarter. We had only 1 Malayalam release in which we incurred a small loss. Also had a digital series, Find The Farzi, once again with our own artiste called RJ Karishma. This series came on JioHotstar.

On a full year basis, we are confident that this video vertical will also result into profits. On live events side, Saregama Live successfully launched our Cap Mania tour in 2025, with Himesh Reshammiya. It started with the first event happening in Bombay in Q1, and this was followed up by 2 houseful shows that we did in the month of July in Delhi.

As always, whenever you start a new tour, the first, 1 or 2 events end up losing money because you're still trying to establish the show and the marketing spends are disproportionately high right now at the beginning. But we believe as the show keeps on progressing, similar will be the scene with Cap Mania. We plan to take it to multiple cities, and maybe outside India too.

Like the Diljit Dosanjh part, we expect this tour also with time, to start becoming more and more profitable. The other shows that we did right now was a stand-up comedy act that we are doing with our own artiste Viraj Ghelani under the name That's So Viraj. We had successful shows in financial year '25 and we followed it up with 4 additional performances in Bombay and Gujarat during Q1.

Our new retail strategy for Carvaan has been fully rolled out, whereby we are retailing it primarily from e-commerce and modern trade stores. The team size has been cut dramatically.

While the volumes and revenues have shrunk, the profitability margins have started improving and we expect by the time we hit the end of the year, we should be writing, mid single-digit margins on Carvaan, which is back to the old, good old days. Over the next few years, we will continue investing in new music content aggressively.

This will not only contribute to the immediate growth numbers of the company, but more importantly, future-proof the company by putting it on a long-term growth path. Amidst all this, we are maintaining at the company level our adjusted EBITDA guidance of 32% to 33%. Saregama's growth narrative will continue to be steady in the medium to long term, courtesy the massive increase in the digital consumption of this country, both in terms of new customers coming into the market and existing customers consuming more and more. And we are seeing every year this trend is becoming stronger. We now have a 400 million internet footprint.

Combine that with our cash reserves, professional management depth, and access to the soundtracks of the best movies, we believe that we will not only be able to maintain our earning guidance for next 2 to 3 years, but hopefully for the next 20 to 30 years.

Thank you, ladies and gentlemen. I'm happy to take questions now.

**Moderator:** Thank you very much. We will now begin with the question and answer session. The first question comes from the line of Harssh K Shah from Dalal & Broacha.

**Harssh K. Shah:** A few questions from my side. So firstly, if you could kind of help us understand what challenges or headwinds the overall industry is kind of facing other than certain music apps kind of shutting shops.

So basically, my question is coming from the point of view of YouTube. So, I acknowledge that you mentioned that Q1 had some challenges. But in general, are we seeing, say, lower ad spends or lower number of advertisement run on music videos, which kind of impacts our monetization or is it something extremely temporary? Some thoughts on that?

**Vikram Mehra:** Yes. So, we are not seeing any headwinds right now on YouTube. What happened in the month of May happened not just on YouTube but across every media. When the country is in that situation, you typically have advertising that stops on a temporary basis. I think it's very much expected and these things don't happen regularly.

Typically, Q1 is weaker for YouTube, because the advertising goes to television behind IPL. That's a Q1 phenomena in general. This year got worsened to some extent because of this problem in the month of May. But June, we are seeing the numbers coming back. And if you see the -- at least the views data in the month of June is very clearly available. You can also track it, all our channels combined. We are in a pretty healthy state once again.

**Harssh K. Shah:** Got it. Okay. And also, on the media segment, so you alluded to that this year we are targeting to be...

**Moderator:** Sorry to interrupt you Mr. Shah. We're unable to hear you. Your voice is breaking.

**Harssh K. Shah:** Is this better?

**Vikram Mehra:** Yes.

**Harssh K. Shah:** Yes. So my question is on the video segment. So I acknowledge that you mentioned that this year, we will start making profits. So, you're talking about the exit run rate or maybe on the full year, we will see profits? And what steps are you taking?

**Vikram Mehra:** So -- see, video business, again, cannot be seen on a quarterly basis. We see it on an annual basis because a lot depends on which quarter, what releases are happening. Unlike our music business where we are aggressively investing, in the video business, we follow an extremely cautious approach. That's why we have shared our internal guidelines that at any particular time, we will not be locking more than 18% of our total capital employed across the entire video and live segment business. So, we approach this part very cautiously.

So whatever positive and negative will happen, you will see very, very low swings in the numbers as people go forward. There are more titles coming in, in the later part of the year. And you will see us on the profit side by the time people go back and end the financial year in the video segment.

**Harssh K. Shah:**

Got it. And a related question, sir, any specific reason why the capital employed within the video vertical has gone up by almost 25% on a year-on-year basis?

**Vikram Mehra:**

It's just a temporary phenomenon right now by the time you go into end of Q2, Q3, this number is going to fall down once again. So, if you just go back and look at the capital employed on the video segment across the last 2, 3 years, you will see the in between swings that go back and come in.

When you go back and invest, but the monies may have just come out there in a week after the quarter gets ended. So please, I think the right way for you to look at right now how we are exiting the year compared to the last year odd. So, this is a temporary phenomenon.

It will all get squared out. But the key part is at no juncture will the capital deployed across the entire video segment, which is films, TV series content, digital series content, short-format content. All segments combined plus live events will ever exceed more than 18% of the total capital deployed. And we are far lower than that at the moment.

**Harssh K. Shah:**

Got it. And lastly, any update on the profitability status of, say, Pocket Aces? And maybe if you could quantify the amount of losses we may have faced in Pocket Aces this quarter? And when do we think in terms of profitability, we'll end up be positive, yes.

**Vikram Mehra:**

So, from this year, I had stated this when we declared the annual results, and I spoke to all of you guys in the month of May. This financial year, Pocket Aces is going to turn profitable. I think we have a very fine management team out there who are doing everything right here. So, our process out there is very, very clear.

Rather than cutting on muscle, we are going out there and improving our revenue stream so that we end up building and further building up the extremely strong brands that people have within Pocket Aces, FilterCopy, Dice Media and Clout and make it a formidable force. But I understand your concern and give you the comfort that by the end of the year, you will Pocket Aces turning profitable.

**Moderator:**

The next question comes from the line of Lokesh Manik from Vallum Capital.

**Lokesh Manik:**

My question was just continuing on the video segment. It's been now more than 8 quarters that we've not seen significant profitability there. Does Pocket Aces get classified under the video segment or there is a split between video and music? How do we look into this area?

**Vikram Mehra:**

So for Pocket Aces, a big part is under video.

**Lokesh Manik:**

Okay. So, the video is then driven by Pocket Aces now.

**Vikram Mehra:** I want to clarify out there that the loss that you're seeing in this quarter is account of the only film that we people release. We had some amount of losses in that film. So, we understand on the video segment are still early days for us. Unlike the music business right now that we have been running for 125 years now.

This is still a relatively new business for us. That's why we are doing a lot of experiments, but small experiments learning from our mistakes and going up. You are never going to be seeing any dramatic losses happening out there on the video segment. That much I can assure you.

**Lokesh Manik:** Great. Vikram, my second question was more a clarification. Do we on a per stream basis, do we make more in YouTube versus audio platforms? That was the understanding we got from some channel checks.

**Vikram Mehra:** I will not be able -- because this is getting into specific deals that I have with YouTube versus the deal I have with some of the streaming platform.

**Lokesh Manik:** No, I don't need the number, just if it is higher or lower.

**Vikram Mehra:** No, again, I'll give you a very speculative answer. A lot depends right now on the kind of content we are putting up. Yes, there are cases at times right now where you do end up making little higher, but there are also equal number of cases where YouTube is far lower than what you make from streaming.

See, the big difference in YouTube philosophically is that how -- what percentage of your total views are coming from European and the American world, because the more the number of views a music video gets from those markets, we get a share of advertising that is either in dollars or euros or pound. And the advantage that one ends up getting.

So, there are languages and specific kind of videos which do very well out there in YouTube. While there are other languages which are primarily spoken by people in India, and you don't have too many Indian origin people of that language sharing outside.

So internally, we have a very clear benchmark that we people work with for every language and within the language, the genre of music that we are creating that what is the profile of that across each of the partner platform that we work with. It's not just YouTube, it's YouTube versus Apple versus Spotify versus Saavn versus Gaana versus Amazon.

**Lokesh Manik:** No, Vikram, I'll just tell you where I'm coming from is more from the distribution network that we are creating. It shouldn't be the case that we create this distribution network. And when the audience comes back to us to listen to the music, it comes to a platform that is giving us a lower realization versus a platform which is giving us a higher realization. That was my only clarification I needed. Is that the case happening?

**Vikram Mehra:** I will not talk about specific platforms, but I can tell you all the partner platforms of us, whether it's a video streaming platforms, or the audio streaming platforms -- have started making a strong effort to take their customers towards paid subscription.



So, if you see whether YouTube or Spotify or Saavn, all of them – have started making an effort right now to move people behind the paid wall. So, I'd like to believe that the revenue yield is going to start going up on each of these platforms, and it's not going to remain specific to only 1 or 2 platforms.

A little bit of a concern for us are the short-format apps that are there in the country right now, which are still there on a fixed fee for all of us. We believe with time, maybe on a medium-term basis, that should open up, and we should start getting a share of advertising there. So that's a very different line of business. But on the audio/video side, I think paid economy is started getting into both of them.

**Lokesh Manik:**

Okay. And in the short format, they were not able to compensate for the loss that we have seen from minimum guarantees from these platforms, which are shut down. They would be too small today. Is that a fair assessment?

**Vikram Mehra:**

Short format was there when these free platforms, the minimum guarantees were there. The short format is not a new phenomenon. You have primary 2 big international apps in India, which is Instagram Reels and YouTube Shorts. Some of the local guys who jumped into it, they have started going slow. But these guys have been there right now for the last 5, 6 years.

We believe that the big breakout may happen in the short-format apps when like some other international short-format app, these 2 also start sharing a part of their advertising revenue with the content creators. YouTube Shorts has already started doing that in the non-music category. We believe it will eventually come to music also. But I'm going to put my bets on a short to medium term there. I'm not putting my bet on an immediate basis that it will happen.

**Lokesh Manik:**

Fair enough. And the advertising budget that we see in the industry that is sort of at the macro level, if you see it is fixed. Now for that budget, there are different forms of content that are competing. Do you see music as seeing a threat in the form of a content from different forms of content that are emerging, which is playing down the growth in the music industry at 10% versus digital advertising growing like you mentioned, at 15%?

**Vikram Mehra:**

In a way, music has an unfair advantage out here because when you consume content on any digital media, what are you consuming? You're consuming music video. I understand you're listening to a song, which is hardcore music. But every time you're watching a digital series, there's a high probability that a song somewhere has been added to that.

It may be as simple as a telephone ringing and the ring tone of the telephone being Tauba Tauba, or it may be somebody humming Mere Sapno Ki Rani Kab Aayegi Tu it's in part of the video series itself or a new or even if somebody is walking right now and songs are going on in every case, we people end up generating revenue.

So, we like to believe right now that as more and more people jump into the digital bandwagon and start consuming more content, we will get a larger and larger share of the advertising revenue.

And as India moves from advertising to a paid economy, which has happened in every other part of the world and have started happening out there on the video OTT side, and before that happened with digital cable and the DTH side, we believe right now that in times to come, this value of the kitty will keep on going up. And that's the reason as a company we're investing so heavily in content, because we believe we will be able to monetize a lot on a short-term basis itself.

**Moderator:** The next question comes from the line of Govindarajan Chellappa from CSIM.

**Govindarajan Chellappa:** A couple of questions. First, we've been talking about the shift to subscribers in the music space for the last 2 years now. Relative to what you had expected, how has been the pace of the shift? Just looking from the numbers, it doesn't look like it's moved as fast as you would have anticipated 2 years back. And if that's the case, what is holding it back?

**Vikram Mehra:** Govind, what's happening is the numbers are a misleading part because when you look at the absolute numbers, you are seeing numbers not growing that steeply because the free business, minimum guarantees are all going away for all of us. So, while the paid economy is taking up, remember, in the last 30 months, we have Wynk shutting down.

we have Resso, which is a ByteDance, that's shutting down in the country, Hungama shutting down in the country, Gaana going right now completely from free to pay economy, and hence, all of us have taken out our MGs. 4 platforms in India have shut down. And in spite of that, companies like Saregama are still showing growth.

I'll not be able to show growth unless there was genuine revenue coming up. Actually, subscription has started showing its head. A year back, I remember somebody asking me and I said, I'm seeing green shoots. Now those green shoots are actually becoming like saplings. And we believe, give it another 4, 6 quarters, you will see right now subscription becoming the primary way in which people consume content.

**Govindarajan Chellappa:** I mean, if you can give some numbers at the industry level, what proportion of, let's say, consumers are now paid OTT plus YouTube together or just OTT?

**Vikram Mehra:** I'll urge right now it's wrong on my part to give numbers on the industry part. There are various industry reports that you can go back and look at. But you need to -- I think just empirically, once again, think of what I shared with you. Out of these 8 platforms that they were in India, 4 platforms have shut down. In spite of that, companies like Saregama are growing in revenues.

I can't grow unless streaming business is also growing along with it. Streaming is a large part of whatever revenue that people make. We'll give you the comfort that, yes, some of the free business has shifted from these 4 shutdown platforms to the other 2 platforms, which is Spotify and Saavn, but the larger number people are seeing growth rate coming from the subscription side.

**Govindarajan Chellappa:** Okay. My second question is on videos. I mean, I know the amounts are small, but it does take a lot of management time and bandwidth in running a business like this. We've been doing this

for the last many years from mid-2010. At what point do you take a call that it is working or not? It's no longer an experiment, right? It's been a pretty long time?

**Vikram Mehra:**

No, no. So listen, what is the video part? The series business that we people run right now actually is an auto mode. Not even 2010, we have been doing it from year 2000 onwards right now when we made series for Sun TV. That business is a well-oiled machine that just keeps on running.

We run 2 to 3 series in a year. Most of them go to anything between 1,000 episodes to 2,000 episodes a time. So, they just run on their own -- and that's the power when you have strong enough number 2 and number 3 levels built into the company. I can assure you and you can one day just come out there and monitor my time or the senior management's time, less time goes out there in the series business. Yes, the short-format content business that people run on the FilterCopy, which is a relatively new vertical within the company.

Once again, that churns out at that fast pace that the amount of management time that's going in it right now is relatively limited. We inherently believe that there is potential on the video side. From both perspectives, video on its own, the consumption is going up, and we don't want a situation where we don't have a play on the video side at all. Most international labels and all of my competitors in India have a video play also going on. Second, video also becomes a great source to get brand-new music.

And also to monetize our existing music or promote the existing music by pushing that music as part of the video assets that are going out. Again, let me take example of FilterCopy. One of the amazing part that the FilterCopy management team and the music team out here have done together is to ensure that the millions of views which are getting generated on FilterCopy content, almost all of them have some old song of Saregama, which gets placed.

What it does is to build fresh recall for the older content of ours, and we see immediately a causal effect relationship getting built that people listen to that content on a FilterCopy video and then go to Spotify or YouTube or a Saavn or an Apple and add that song as part of the playlist. So we believe there is a strategic play right now that we people have right now on the video side.

We were never into big budget Hindi films. And on our own, we have no plans right now within Saregama as a company to go into these big budget Hindi films. We will remain wherever the budgets are under control. The actors are ready to come on the back-ended side so that the risk that people end up taking is on a relatively lower side.

**Govindarajan Chellappa:**

Okay. And last question was on working capital. There's almost a INR 210 crores increase in working capital during the quarter, and it's across all items. I mean, inventory has gone up a lot, receivables have gone up and payables have fallen. I know there is some quarterly fluctuation, but this just does seem to be a lot more than what you normally see from one quarter to another. Any particular reason for that?

**Pankaj Chaturvedi:**

Govind, Pankaj, this side. I'll just take that. So, as you rightly mentioned in your question, there are quarterly patterns on this working capital side. If you just pick up even past numbers, you'll

see quarter 2 at times will be completely different to quarter 1. So that is one answer to your question.

Secondly, as we said, on the video side, there are some very exciting projects that are lined up. We have made some investments over there. That's also sitting as part of our inventory- Hence, you see the jump in the inventory and the receivables. But as we move forward, when you see Q2, Q3, a lot of these things will get normalized.

**Moderator:** The next question comes from the line of Anand Bhaskaran from Ksema Wealth Private Limited.

**Anand Bhaskaran:** Yes. I just want to know a clear indication of the way things are going in the segment revenue -- right now, I guess music is contributing a 69% and Artiste Management 11%, video in 17%. So, I just want to know like overall breakup what you see going forward for FY '26 and FY '27. What would be the main driver for the revenue out of these 4 segments?

**Vikram Mehra:** So for us, out of these segments right now, we have shared our revenue growth projections. On a short- to medium-term basis, the music business, which is licensing plus Artiste Management, that's a music business within Saregama, that should be growing at 22% to 23% CAGR on a short- to medium-term basis. The video business is expected to be along the lines of 25% on a medium-term basis. Our EBITDA guidelines are 32% to 33%.

**Moderator:** The next question comes from the line of Ravi Naredi from Naredi Investment.

**Ravi Naredi:** Sir, you mentioned a few big players like Google used our song in their advertisement. How much revenue we earned whether it is more than INR 5 crores in a year?

**Vikram Mehra:** Sir, the monies that we people make from brands using our music in their ads is substantial enough. I'll not be in a position to give you a number here. It's very competitively sensitive data. We compete with other people also. But it's a substantial enough part. In fact, we have a dedicated team that just looks after that.

**Ravi Naredi:** Okay. No problem, sir. Nowadays, how is content cost you find because a lot of Bollywood movies are lesser. So, are you finding difficult to acquire content cost at comparatively low rates?

**Vikram Mehra:** So, the content cost keeps on moving up and down at times between various languages. I think what will give you comfort is, all of us starting from me to everybody down, the first criteria on which our performance is evaluated within Saregama is 5-year payback period for all the content we acquired during the year.

Even if it comes, the market share falls, revenue numbers can move here and there, this criteria of 5-year payback period can never move. So, whatever we people do in terms of content acquisition, we do keeping in mind that we don't end up overpaying. Otherwise, we will not be able to satisfy this 5-year payback period.

We have seen in some of the languages where some albums did very, very well, the prices went up substantially. It happened in a couple of South Indian languages. Companies like us and even

one of our competitors have just pulled back saying right now, we will not invest at these kind of prices that are there in the market. So -- you are aware, sir, that we have been sitting on some of the QIP money for some time.

And however, tempting it may be to go out there and acquire content at any price, as a management team at Saregama, we are very conscious of the fact that even if it comes at the cost of market share, we will not invest in content if we believe that it's overpriced and we will not be able to live up to 5-year payback.

**Ravi Naredi:** Okay. Okay. And sir, have you been valued our library of songs of film or other films we have made, any parameter to evaluate this valuation?

**Vikram Mehra:** I'm not very clear about your question.

**Ravi Naredi:** Sir, we have so many songs like 150,000 or films which we have made. Any parameter to value this content?

**Vikram Mehra:** No, we have never. We have not done a valuation exercise of all the IP that we people own. We have 1,75,000 songs. We have some 75 plus new movies. We have some 10,000 plus hours of TV content IP that we people own, and we have lots of content that we own in Pocket Aces. We charge off everything. We have never done a valuation exercise.

**Pankaj Chaturvedi:** Ravi, just a question -- I mean, just to understand why this question coming up? Is there any kind of thought process behind this question?

**Ravi Naredi:** One thing is there in our mind, what is the valuation of our company? It is almost INR10,000 crores. So, I would like to find whether our content cost is more than INR10,000 crores or less. That is in my mind.

**Vikram Mehra:** Sir, you tell us how to value Lata ji's songs...

**Ravi Naredi:** I'm very novice in this music industry. So just asking you to whether any barometer is there to evaluate. That is my point.

**Vikram Mehra:** Any internal exercise has not been carried out, sir.

**Ravi Naredi:** Okay. And last, sir, almost INR 700 crores, we will spend on content cost in financial year '26, '27. Thereafter, what will be our plan?

**Vikram Mehra:** So sir, we have been stating that we want to get -- acquire 25% to 30% of all new content that comes out. We believe that with this INR 700 crores, we will reach that level. At this moment, we have no intent to increase our market share of new content beyond 30%. Let's see how well we people fare over the next 18 months, and we will then share with you. But standing today, I think we are comfortable with the kind of market share that we people are getting at this moment.

For us, the good part is that not only we are getting content, our hit ratio to flop ratio is the best in the market today because we are using data to decide what content to pick up and what cost structure picks up. So we will share with you, sir, over the next 18 months, the future strategy.

- Moderator:** The next question comes from the line of Rahul Picha from Multi-Act PMS.
- Rahul Picha:** I have 2 questions. First one is on minimum guarantee on Spotify and JioSaavn. So what we understand is Spotify and JioSaavn has done away with minimum guarantee across the music labels. So just wanted to know when that minimum guarantee was taken away by the Spotify and JioSaavn? And what was the impact of it in our Q1 numbers?
- Vikram Mehra:** I can't comment on specific commercial leads that we have with these 2 platforms. All I can say, maybe your information may not be 100% accurate, but I'll leave it there.
- Rahul Picha:** Okay. And second question is on YouTube. So YouTube has changed monetization policy towards user-generated content. So, has that impacted us in Q1? The growth has been impacted negatively in Q1 because of that?
- Vikram Mehra:** No, sir. The specific thing you're talking about is not just a quarter old. It started happening from last year onwards. And that has been fully factored in. If you see our revenues, I wouldn't have been able to show you this kind of a revenue growth unless YouTube was also firing for us.
- We had very little newer content getting released in this quarter. Yes, we did a pretty decent job of making more money from our older content. And for that, it's important, both the channel revenue as well as the user-generated content revenue should go up. So, I think we are proud of what the team has been able to do out here. We have been able to hold on to our revenue growth.
- Moderator:** The next question comes from the line of Pallavi Deshpande from Sameeksha Capital.
- Pallavi Deshpande:** Yes. Just wanted to understand on this recent movie released Saiyaara, where Yash Raj Films has kept it to themselves. Is that a new competitor in the market or are we likely to see more such cases going ahead that they don't have a music label, I believe?
- Vikram Mehra:** Yes, ma'am. All I can say that Yash Raj has been now following this policy for, I think, over 25 years, if I remember correctly. I think Dilwale Dulhania Le Jayenge was the last movie who's music we had bought.
- And to best of my understanding, they are the only production house in the country, not just in Hindi, that has taken the call to retain the IP and not give it to a music label. I wish I can tell you for guarantee that nobody in the future will do this, but we have not seen any evidence of any other production house doing it.
- Please understand for any new film producer, they are able to recover anything between 8% to 15% of their total cost of the film by selling the rights of music. It becomes a good seed funding money right now for them to put up their film project. Most of them bank on the profits they make from their box office performance far more and try to hedge their risk by selling the music rights, digital rights and the TV rights. That's how the industry functions today. But Yash Raj films is an exception.
- Pallavi Deshpande:** Right. Sir, my second question would be that in terms of the comps, they become more difficult for us from 3Q, I guess, or 2Q because of Stree 2 last year bumping up the music licensing

revenues. So, on the music licensing, if you could give some more color of any new big budget things that we have lined up, I mean, coming up in terms of the music rights we have acquired in Hindi big budget?

**Vikram Mehra:**

**For Stree** , I wish to say right now that we were geniuses if we knew how big **Stree 2** will become before the release. I don't think we expected it. It's all courtesy right now, the production of Maddock and the composer Sachin-Jigar who gave such a phenomenal music. So, it's difficult to say in advance which music will take off the way they did. But we have some very big movies and from production houses who are known for their music.

I think the biggest is Sanjay Leela Bhansali's **Love & War**, which is supposed to be released in March. It has got Ranbir Kapoor, Alia Bhatt, and Vicky Kaushal. And it's Bhansali sir himself directing the movie after some time. We also have Ranveer Singh's **Dhurandhar**. Their trailer dropped some time back, was using one of old Saregama songs, and it has got serious appreciation.

We are bullish on that. We also have Dharma Production movie, **Main Tera Tu Meri Tu Mera Main Teri** which is the Kartik Aaryan movie, Dharma is always known for giving very high-quality music. So, we are banking on that, too. We have a Dhanush movie coming in later this year, which is in Tamil.

We have Darshan, who is Kannada number 1 star, his movie coming in later this year. We have Nani's movie coming in Telugu. So, there is a very decent lineup. Fortunately, unfortunately, majority of the stuff is sitting in Q3 and Q4. But it's a release of these films that gives us the confidence to hold on to our guidance of 22% to 23% growth in short to medium term on the music side.

**Pallavi Deshpande:**

Right, sir. And sir, my last question would be on this recent T-Series signed up with this artist of Saiyaara, the Kashmiri guy. So were we also in talks with this -- for this artist, anything on that?

**Vikram Mehra:**

We do not talk about these individual artiste deals, unfair to my team, unfair to T-Series team and unfair to the extremely talented artistes we are talking about. But Artiste Management is something we take very, very seriously. Philosophically, Saregama bets more on new age artistes who are young in whom we see potential, then we groom them, then we do music videos with them. With some of them, we are even putting them in our films or putting them in our digital series. That's the power of also having the video vertical within the company and try to make them big.

2, 3 of them have already started releasing their content out. And hopefully, very soon right now, you're going to be talking about them and asking me that how did we manage to do this magic.

**Pallavi Deshpande:**

Right, sir. Sir, my last question, if I may. On this payback for the Haryanvi catalog that we've purchased, would that fit in that 5-year period? And if you could share the cost of that acquisition?



**Vikram Mehra:** Ma'am, I'll not be able to share specific commercials. Overall, what I can tell you right now, I think we have got a very, very good deal. And the beauty of this deal is that the promoters are not only selling their catalog to us, but are also working with us to create fresh Haryanvi content for Saregama.

I think as valuable as their catalog is, equally valuable is Rajesh Gupta, who used to own NAV and his son and Nephew, I think they are one of the smartest people and on the Haryanvi side. And the fact they are ready to partner with us to create more Haryanvi content is what inspires far more confidence in us and makes me happy.

**Moderator:** The next question comes from the line of Lokesh Manik from Vallum Capital.

**Lokesh Manik:** Vikram, my follow-on question was we are seeing a trend in brand-sponsored podcasts. Do we have any play out there? What is your view going forward? How can Pocket Aces help us out there?

**Vikram Mehra:** Sir, we believe within the company. It's a very good question you have asked. Within the company, we realize that we make a decent amount of money from platforms. wherein we put our content on from a Netflix to a Spotify to a YouTube and we get a share of advertising.

We also have a play in direct to customer where customer pays for Carvaan or customer pays for a Live Event, a Himesh Reshammiya concert or a Diljit Dosanjh concert. We realize that we need to now strengthen our play in brands coming on board and putting their monies right now behind our content.

So, within the company, we have constituted a completely new vertical, which is now going to be selling to brands, both from music perspective. So, create bespoke content for various brands. It may be a brand-new song. It may be somebody who wants to do a digital concert or a digital music-based show -- that team is also going to be selling to brand sponsorships for live events and getting brands right now for our entire FilterCopy range of channels.

So we are combining this and now going out there to the brand and saying that if you want to reach out to the younger people who are more and more getting away from the world of television, then we may be a great solution, whereby we can give you music, video as well as influencer, a package deal can be offered across to you. Podcast, both video and audio are part of the same thing.

**Lokesh Manik:** Understood. And this quarter, we've seen a drop in advertising expense, whereas the content cost has remained the same. So, what has driven this fall in advertising?

**Vikram Mehra:** Whenever a new movie is released, the marketing cost is charged off immediately, while the content cost is charged off right now in a phased manner. So, what you will always see that in a year, in a quarter, content cost will also have the previous year's uncharged content cost being charged off in the quarter while marketing depends only on whether a brand new thing has been released in that quarter or not.

**Lokesh Manik:** Correct, correct.



- Vikram Mehra:** I'm not seeing marketing cost going to come down because...
- Lokesh Manik:** No, I can connect with your comment on new releases were not there this quarter. So maybe that is what has driven the expenses...
- Vikram Mehra:** Perfect.
- Lokesh Manik:** Yes. So, Vikram, just the last one was if you see ad rates in the industry going down and advertising revenue going down, does this then delay the payback period that you have to monetize your content? Does it impact that...
- Vikram Mehra:** So what you're asking right now? Yes, it should impact. All I can tell you, we have not seen our yield per view coming down on platforms which are advertising dependent.
- Moderator:** Thank you. As there are no further questions from the participants, I now hand the conference over to the management for closing comments. Thank you, and over to you, sir.
- Vikram Mehra:** I have already shared our guidance right now for future. We believe music industry specific and even the video side, I think we are still an underutilized, under monetized entertainment industry. At Saregama, we believe that the fact that we are extremely data-driven, we run away from anything which is an individual-driven part here.
- The fact we have a diversified portfolio, which not only hedges our risk, but allows us a situation where the whole is more than the sum of the parts. And the fact that we have a senior management team that has been there with the system for a long enough time gives us a very, very good opportunity to monetize and capitalize on this digital revolution that is sweeping the country.
- And 2 to 3 years, the kind of guidance that people are giving right now, I believe all of them are going to get met. Thank you, and please keep supporting us.
- Moderator:** Thank you. On behalf of Emkay Global Financial Services Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.