Saregama India Limited

July 03, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	100.00 (Reduced from 101.50)	CARE AA-; Stable	Reaffirmed
Short-term bank facilities	130.00	CARE A1+	Assigned
Short-term bank facilities	3.50	CARE A1+	Reaffirmed

Details of instruments/facilities in Annexure-1.

The list of facilities / instruments falling under the purview of various financial sector regulators (FSRs), along with the names of respective FSRs has been disclosed under Annexure-7.

Rationale and key rating drivers

Ratings assigned to bank facilities of Saregama India Limited (SIL) continue to draw strength from SIL's strong brand positioning in the Indian music industry, with largest music archives in India, its diversified revenue profile through licensing revenue, TV/films content and sale of Carvaan, healthy profitability, robust capital structure, and strong debt coverage indicators. Ratings also factor in the financial flexibility derived from being part of a strong promoter group, RP-Sanjiv Goenka (RPSG).

Ratings further derive comfort from healthy profitability supported by strong business profile. While the total operating income (TOI) moderated in FY26 (refers to April 01 to March 31), due to a high base effect in FY25, profit before interest, lease rentals, depreciation, and taxation (PBILDT) margin improved to earlier levels. PBILDT margin had moderated in FY25, owing to relatively lower margin in the event segment.

Ratings factor in the ramp-up in acquiring music content or stakes in companies engaged in creation or promotion of music; funded out of significant amount of capital raised in FY22, and internal accruals. The company planned to invest ~₹1,000 crore from FY25-FY27, of which ~₹316 crore was invested in FY25, and ~₹339 crore in FY26. Scale of operations is accordingly expected to grow. With a healthy contribution of high margin licensing income and increasing digital penetration, profitability margin is expected to remain healthy.

Healthy generation of cash accruals with nil debt repayment obligations have led to a build-up of healthy surplus funds, which, together with internal generations going forward can be utilised by the company for new content creation in films and TV serials division.

However, ratings remain constrained by obsolescence risk associated with distribution formats, threat from piracy/copyright infringement, and high cost of quality content acquisition.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Sustained and significant growth in scale of operations aided by strong business profile, through effective deployment of funds raised through the qualified institutional placement (QIP) issue in FY22.
- Improving return indicators with return on capital employed (ROCE) above 30% on a sustained basis.

Negative factors

- Deteriorating capital structure with overall gearing (over 0.25x) and total debt (TD)/PBILDT (over 1x) on a sustained basis.
- Decreasing scale of operations (TOI less than ₹500 crore) and/or deteriorating PBILDT margin (less than 20%) on a sustained basis, which has an impact on its debt coverage indicators.
- Significantly deteriorating operating cycle.

Analytical approach: Consolidated

[1]Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

CARE Ratings Limited (CareEdge Ratings) has adopted a consolidated analytical approach for analysing SIL, considering significant operational and financial linkages with its subsidiaries. List of companies consolidated with SIL as on March 31, 2026, are listed under Annexure 6.

Outlook: Stable

'Stable' outlook reflects that SIL is expected to maintain its healthy operating risk profile, given its established presence in the music industry, continuous acquisition of new contents, and growing trend in the high margin licensing income. The financial risk profile is also expected to remain strong supported by healthy cash flow generation from the business and low reliance on debt.

Detailed description of key rating drivers:

Key strengths

Strong brand positioning with a large music archive and a diversified revenue profile

For a long time, SIL was using the brand 'His Master's Voice (HMV),' a trademark of EMI Records Limited (erstwhile, The Gramophone Company Limited), for selling its products. However, to build up its own brand value, the company started using the brand 'Saregama.'

SIL has a leadership position in a rich retro music library, and with its increasing investment in new content, the company has started gaining leadership position in new music as well, with 56% of SIL's licensing revenue (FY25: 56%) coming from 21st century songs.

The collection represents recordings by legendary artists, including Lata Mangeshkar, Mohammed Rafi, Laxmikant-Pyarelal, RD Burman, and Kishore Kumar. On an overall basis, SIL owns intellectual property (IP) rights of over 1.70 lakh songs. It has also diversified its revenue profile through physical sales of 'Carvaan' (variants selling in the market from May 2017) and content creation for films (Yoodlee films – over 45 movies and web series licensed since its launch in November 2017). In FY24, the company further diversified into artist management. In FY26, SIL's consolidated revenue profile constituted 75%, through license fees generated from its music copyrights and artist management (52% in FY25), 7% from the sale of 'Carvaan' (7% in FY25), and 9% from TV serials and digital films (16% in FY25), with the balance 6% contributed from income from event (24% in FY25).

Consistent growth in license fees through increased opportunities in the digital space

The high margin licensing income has exhibited an increasing trend over the years and grew by ~12% in FY26 (13% in FY25). With the gradual phasing out of physical music content, the company's changing business model has been capturing newer and profitable ways to monetise its existing music content, particularly, retro on digital platforms through OTT platforms (including YouTube), and publishing (through movies, TV shows, and brand usage). With cheaper availability of data and increased usage of smartphones, the digital use of content has been increasing significantly.

Improvement in operating margin in FY26, despite moderation in TOI

SIL's consolidated TOI moderated in FY26, on a year-over-year (y-o-y) basis to ₹986.60 crore, primarily due to a high base in FY25, driven by exceptional events revenue due to the "Dil Luminati" tour of Diljit Dosanjh. The decline also reflects a strategic scale-down of video production and reduced Carvaan sales. Revenue from the artist management business (introduced in FY24, to manage artists and influencers) nearly doubled in FY26. Similarly, music licensing revenue grew by ~12% y-o-y. These segments have emerged as primary growth drivers for the company.

Despite TOI being lower-than-envisaged, the PBILDT margin improved significantly to ~34% in FY26 from 23.67% in FY25, majorly owing to savings in operational cost related to Films, TV serials and digital content, as the company has discontinued new film production under the *Saregama* banner following the *Bhansali* acquisition. The growth in PBILDT was also supported by the music segment, where margin growth outpaced revenue growth. This indicates improved monetisation of SIL's existing content library, as past investments in high-performing assets are now yielding stronger returns.

With continued focus on content acquisition, scale of operations is expected to witness growth, with sustained healthy profitability margins.

Robust capital structure and debt coverage indicators

The company's capital structure continues to remain strong with negligible debt-equity ratio of 0.01x in FY26 (nil in FY25), and overall gearing ratio of 0.04x in FY26 (0.01x in FY25), which has remained nil in the last five years. TD has increased y-o-y as SIL has availed a line of credit of ₹10.50 crore, through Saregama Welfare Trust for purchase of shares of SIL under the Employee Stock Option Plan (ESOP) scheme) and also utilised its working capital limits. The company has subsequently acquired a stake in

Bhansali Productions and adopted a co-production model for digital films. These activities required additional working capital borrowings, leading to increased debt in FY26.

Although ROCE and return on net worth (RONW) declined since FY22, due to a part of QIP funds remaining unutilised (~₹101 crore as on March 31, 2026), however, it continued to remain at comfortable levels. Debt coverage indicators also continued to remain strong with a TD/PBILDT of 0.21x as on March 31, 2026 (0.01x as on March 31, 2025). The company had negligible interest expenses and a comfortable interest coverage ratio of 62x in FY26 (against 173x in FY25).

Going ahead, with significant capital available to the company, apart from internal generations to fund growth, debt coverage indicators are expected to remain healthy.

Long track record and part of a strong promoter group

Incorporated in 1946, SIL has a long track record in the creation, acquisition, and distribution of music. The company has also ventured into distribution of music in digital mode and production of TV serials and films. In 1985, SIL was acquired by the RPSG group and is now part of the RPSG group of Kolkata. The RPSG group is one of the leading industrial houses in the country, with interests across diverse business sectors such as power, infrastructure, carbon black, retail, education, sports, BPO, media, and entertainment. Being a part of the large established group provides significant financial flexibility to SIL. The company's operations are also supported by a qualified and professional management team, having vast experience in related fields.

Liquidity: Strong

SIL's liquidity is marked by strong cash accruals against negligible debt repayment obligations and cash and bank balance, and significant liquid investments to the tune of ~₹203.10 crore as on March 31, 2026, including unutilised proceeds of ₹101 crore from the QIP issue. With overall gearing of 0.04x as on March 31, 2026, the company has sufficient headroom to raise additional debt, if required. The fund requirement for acquiring new content is proposed to be funded from unutilised QIP proceeds. Average fund-based bank limit utilisation stood low at ~13% for 12 months ended April 30, 2026.

Key weaknesses

Obsolescence risk associated with physical distribution formats and high cost of quality content

SIL is operating in a fast-changing industry, where formats for distribution of music changes with technological advancement. The company was severely affected by it in the 1980s, when the long-record player was replaced by music cassettes. It shifted to manufacturing music cassettes, which were again replaced by compact discs (CDs). After phasing out of CDs, the company launched 'Carvaan' radios in 2017. However, change in product mix towards licensing income monetised through distribution in digital mode, including tie-ups with streaming apps and OTT platforms, safeguards SIL from the risk of obsolescence. To keep pace with the industry, SIL also expanded its footprint in the digital space by venturing into long-form and short-form video content.

The company has been acquiring and creating content to grow its scale of operations and remain competitive in the industry. Given its high cost, profitability remains exposed to popularity of content with users and generation of the envisaged revenue therefrom.

Continuous threat from piracy

Piracy has been eating into the profitability of the Indian media and entertainment (M&E) industry. Although this has always been in existence, incidences of piracy have been reducing gradually. Easy availability of substantially cheaper internet access has somewhat had a positive impact on curbing piracy.

The company also has a dedicated team that actively identifies copyright infringements and take steps to recover revenue loss from it.

Environment, social, and governance (ESG) risks

SIL's business activities do not have a material direct impact on the environment, and hence, it is not exposed to significant risk towards environmental compliance. The company follows regulatory requirements in terms of board composition and its sub-committees. The company has spent ₹5.32 crore in FY26, on corporate social responsibility (CSR) activities towards RP-SG Group CSR Trust.

Applicable criteria

[Consolidation](#)
[Definition of Default](#)
[Liquidity Analysis of Non-financial sector entities](#)
[Rating Outlook and Rating Watch](#)
[Financial Ratios – Non financial Sector](#)
[Service Sector Companies](#)
[Short Term Instruments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer discretionary	Media, entertainment and publication	Entertainment	Media and entertainment

SIL, belonging to the Kolkata-based RPSG group, was formerly known as the Gramophone Company of India. Earlier, the company was primarily engaged in creation and distribution of music in physical formats. Over the years, the company expanded its business and forayed into distribution of music in the digital mode apart from physical formats (Carvaan), and has ventured into production of TV serials, films, web series, and event management.

Brief Financials (₹ crore)	FY25 (A)	FY26 (A)
Total operating income	1,171.69	986.60
PBILDT*	277.32	338.73
Profit after tax (PAT)	204.24	206.22
Overall gearing (x)	-	0.04
Interest coverage (x)	173.16	62.27

A: Audited; UA: Unaudited; Note: These are latest available financial results.
*PBILDT: Profit before interest, lease rentals, depreciation, and tax

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Facilities	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit	-	-	-	-	100.00	CARE AA-; Stable
Fund-based - ST-Line of Credit	-	-	-	-	130.00	CARE A1+
Non-fund-based - ST-BG/LC	-	-	-	-	3.50	CARE A1+

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2026-2027	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024
1	Non-fund-based - ST-BG/LC	ST	3.50	CARE A1+	-	1)CARE A1+ (04-Aug-25)	1)CARE A1+ (04-Jul-24)	1)CARE A1+ (06-Jul-23)
2	Fund-based - LT-Cash Credit	LT	100.00	CARE AA-; Stable	-	1)CARE AA-; Stable (04-Aug-25)	1)CARE AA-; Stable (04-Jul-24)	1)CARE AA-; Stable (06-Jul-23)
3	Fund-based - ST-Line of Credit	ST	130.00	CARE A1+				

LT: Long term; ST: Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - ST-Line of Credit	Simple
3	Non-fund-based - ST-BG/LC	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please click here

Annexure-6: List of entities consolidated

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Saregama Ltd (SL) (formerly Saregama PLC)	Full	Subsidiary
2	RPG Global Music Limited (RPGG)	Full	Subsidiary
3	Kolkata Metro Networks ltd	Full	Subsidiary
4	Saregama FZE (SFZE)	Full	Subsidiary
5	Saregama Inc (Wholly owned subsidiary of SL)	Full	Subsidiary
6	Pocket Aces Pictures Private Limited (PAPPL)	Full	Subsidiary
7	Saregama Performing Arts and Music Festivals L.L.C.S.O.C	Full	Subsidiary
8	Finnet Media Private Limited (subsidiary of PAPPL)	Moderate	Associate
9	Bhansali Production Private Limited (w.e.f. 30.01.2026)	Moderate	Associate

Annexure-7: List of facilities/instruments and FSRs

As required by SEBI Circular dated February 10, 2026, to Credit Rating Agencies (CRAs), the list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is disclosed below:

Sr. No.	Facilities/Instruments Name	Regulator of the Instruments[2]
1.	Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities)	SEBI
2.	Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities)	MCA
3.	Listed PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) *	SEBI
4.	Listed PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) *	SEBI
5.	Unlisted PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) *	RBI
6.	Listed Commercial Paper and NCDs with Original Maturity Less Than 1 Year	RBI
7.	Unlisted Commercial Paper and NCDs with Original Maturity Less Than 1 Year	RBI
8.	Loan Facilities (Fund / Non-Fund Based) From Banks / NBFCs / NHB / FIs ^	RBI
9.	External Commercial Borrowings and Other Similar Borrowings	RBI
10.	Certificates of Deposit	RBI
11.	Fixed Deposits Raised by Banks, NBFCs, HFCs, FIs	RBI
12.	Fixed Deposits Raised by Corporates Other Than Banks, NBFCs, HFCs, FIs	MCA
13.	Inter Corporate Deposits / Loans Extended by Corporates	MCA
14.	Borrowing Programme ~	-
15.	Issuer Ratings #	-
16.	Credit Ratings for Capital Protection Oriented Schemes (By Mutal Funds and AIFs)	SEBI
17.	Credit Quality Ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18.	Listed Security Receipts	SEBI
19.	Unlisted Security Receipts	RBI
20.	Independent Credit Evaluation (ICE)	RBI
21.	Expected Loss Ratings (For Loan Facilities (Fund / Non-Fund Based) from Banks / NBFCs / NHB / FIs)	RBI
22.	Expected Loss Ratings (Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities))	SEBI
23.	Expected Loss Ratings (Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities))	MCA
24.	Unlisted PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) *	Investor-side regulator such as IRDAI, PFRDA @

* Includes securitisation transactions involving assignee payout, acquirer's payout.

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), among others. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In the press releases subsequent to issuance(s), CareEdge Ratings shall separately capture the rated quantum details along with names of respective regulators.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

@ These ratings were assigned in regulatory regime prior to introduction of SEBI CRA Circular dated February 10, 2026, and the investor side regulators have accordingly been included.

Note: For facilities / instruments falling under the purview of FSRs other than SEBI, the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

[2]SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority.

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About us:

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