

NOTICE

Notice is hereby given that the **78th Annual General Meeting** of members of **PHONOGRAPHIC PERFORMANCE LIMITED** will be held on **Monday, 26th August, 2019 at 9:30 A.M.** at Hotel Rang Sharda, Embassy Banquet Hall, Near Lilavati Hospital, Bandra Reclamation, Bandra West, Mumbai - 400 050 to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the audited Balance Sheet as at 31st March, 2019 and Profit & Loss Account and Statement of Cash Flow for the financial year ended on that date along with the Schedules, Annexures and Notes thereto and the Reports of the Board of Directors and the Auditors thereon.

2. To consider and if thought fit, to pass, with or without modification(s), the following resolution as **Special Resolution:**

To appoint a Director in place of Mr. Sanujeet Bhujabal (DIN: 01915460), who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

3. To consider and if thought fit, to pass, with or without modification(s), the following resolution as **Special Resolution:**

To appoint a Director in place of Mr. Vinit Thakkar (DIN: 08050943), who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

4. To consider and if thought fit, to pass, with or without modification(s), the following resolution as **Special Resolution:**

To appoint a Director in place of Mr. Kumar Ajit (DIN: 08105941), who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 139(1) and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) and rules, circulars, notifications made/ issued thereunder, including any amendment, modification, variation or re-enactment thereof, M/s. Price Waterhouse, Chartered Accountants, (Firm Registration No. 301112E) be and are hereby re-appointed as the Statutory Auditors of the Company to hold office for a term of 5 years i.e. from the conclusion of the Seventy Eighth Annual General Meeting until the conclusion of the Eighty Third Annual General Meeting to be held in the year 2024.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable and expedient for giving effect to this resolution and / or otherwise considered by them to be in the best interest of the Company, including fixation of their remuneration and reimbursement of out of pocket expenses incurred in connection hereto.”

SPECIAL BUSINESS:

6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as **Special Resolution:**

“RESOLVED THAT, Mr. Balwinder Singh (DIN: 02807439), who was appointed as Additional Director by the Board of Directors at their Meeting held on Wednesday, November 21, 2018 and who holds office upto the date of ensuing Annual General Meeting, be and is hereby appointed as a Director who shall be liable to retire by rotation.”

7. To consider and if thought fit, to pass, with or without modification(s), the following resolution as **Special Resolution:**

“RESOLVED THAT, Mr. V. B. Gupta (DIN: 08313443), who was appointed as Additional Director by the Board of Directors at their Meeting held on Wednesday, November 21, 2018 and who holds office upto the date of ensuing Annual General Meeting, be and is hereby appointed as the Independent Director of the Company.”

8. To consider and if thought fit, to pass, with or without modification(s), the following resolution as **Special Resolution:**

“RESOLVED THAT, Mr. Rajat Kakar (DIN: 01592740), who was appointed as an Additional Director by the Board of Directors at their Meeting held on Wednesday, November 21, 2018 and who holds office upto the date of ensuing Annual General Meeting, be and is hereby appointed as the Director of the Company.”

9. To consider and if thought fit, to pass, with or without modification(s), the following resolution as **Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 196 read with Companies (Appointment and Remuneration of Managerial Remuneration) Rules, 2014 of the Companies Act, 2013 and Article 25.5 of the Articles of Association of the Company, approval of members be accorded to the appointment of Mr. Rajat Kakar (DIN: 01592740) as Managing Director and Chief Executive Officer of the Company commencing from 21st November, 2018, on the terms and conditions as mentioned in the agreement executed between the Board of Directors and the Managing Director.”

10. To consider and if thought fit, to pass, with or without modification(s), the following resolution as **Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s), enactment(s) or re-enactment(s) thereof for the time being in force), the new set of Articles of Association, be and are hereby approved and adopted, in substitution, and to the entire exclusion of the existing Articles of Association of the Company.”

“RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorized to take all such steps and actions for the purpose of making all filings and registrations as may be required in relation to the aforesaid amendment to the Articles of Association and further to do all such acts, deeds, matters and things as may be considered necessary, desirable and expedient for giving effect to this resolution.”

11. To consider and if thought fit, to pass, with or without modification(s), the following resolution as **Special Resolution**:

“RESOLVED THAT the revised Public Performance Tariff Scheme, as approved by the Board and as annexed to this Notice, be and is hereby approved.”

12. To consider and if thought fit, to pass, with or without modification(s), the following resolution as **Special Resolution**:

“RESOLVED THAT the Member’s License Fees Distribution / Payment - Basis & Methodology i.e. Distribution Scheme for F.Y. 2019-20 and onwards as approved by the Board and as annexed to this Notice be and is hereby approved.”

NOTES:

1. ***A member entitled to attend and vote at the Annual General Meeting is also entitled to appoint a proxy to attend and on a poll, to vote instead of himself/herself and such proxy need not be a member of the Company.***
2. A person can act as proxy, on behalf of members, for not more than fifty (50) members. The duly filled proxy form in order to be valid, must be deposited at the Registered Office of the Company not less than forty eight hours before the commencement of the Meeting. A proxy form is sent herewith.
3. Explanatory Statement pursuant to Section 102(2) of the Companies Act, 2013 in respect of the Special Business items as set out in the Notice is annexed hereto and forms part of this Notice.
4. Member/Proxy attending the Meeting must fill-in the Attendance Slip sent herewith to attend the Meeting. The member and his proxy cannot attend the meeting together. **Either the member or his proxy (only one person) shall be allowed inside the meeting venue.**
5. In case of deceased Members, their respective legal heirs will neither be entitled to participate and vote at the Annual General Meeting nor to appoint Proxy to attend and vote at the AGM on their behalf.
6. Corporate members intending to send their authorised representative to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
7. Members in person and Proxy holders may please carry Photo ID Card for identification/verification purpose.
8. Family Members, Friends, Colleagues, Children accompanying the Member/Proxy/Legal Heir, shall not be permitted to attend the meeting.
9. Members are requested to notify the Company about their change of address, if any.
10. The route map to the venue of the Annual General Meeting is attached at the end of this Notice as per the requirement of the Secretarial Standard-2 on General Meetings.

11. All members are cordially invited for **breakfast**, starting from 9:00 a.m., at the Annual General Meeting venue.

12. Information and other instructions relating to voting by electronic means:

- a. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed in this notice by electronic means and the business may be transacted through e-Voting Services and the said resolutions will not be decided on a show of hands at the AGM.
- b. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the Annual General Meeting (AGM) (“remote e-voting”) will be provided by Central Depository Services (India) Limited (CDSL).
- c. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- d. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- e. The members who have cast their vote by remote e-voting may attend the meeting but shall not be entitled to cast their vote again, either by e-voting or by physical ballot.
- f. The remote e-voting period on **commences on Friday, 23rd August, 2019 at 9:00 a.m. and ends on Sunday, 25th August, 2019 at 5:00 p.m.** During these period members of the Company as on the cut-off date i.e. **Monday, 19th August, 2019** only may cast their vote by remote e-voting. The remote e-voting module shall be forthwith blocked by CDSL for voting thereafter. Once the vote on resolution is cast by the member, the member shall not be allowed to change it subsequently. (Whether voted by e-voting or by physical ballot). Please refer to Rule 20 Sub-Rule (vii) of the Companies (Management & Administration) Rules, 2014.

E-Voting Process:

The instructions for members for voting electronically are given in below paragraphs.

The instructions for members voting electronically are as under:

- i. The Members should log on to the e-voting website www.evotingindia.com.
- ii. Click on Members.

- iii.** Now Enter your User ID provided to you along with the notice for this Annual General Meeting.
- iv.** Next enter the Image Verification as displayed and Click on Login.
- v.** Enter your password to be used provided to you along with the notice for this Annual General Meeting.
- vi.** After entering these details appropriately, click on "SUBMIT" tab.
- vii.** Click on the EVSN of Phonographic Performance Limited on which you choose to vote.
- viii.** On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- ix.** Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- x.** After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xi.** Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xii.** You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xiii.** In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
- xiv.** A copy of this notice has been placed on the website of the Company and the website of CDSL.
- xvii.** M/s. Rathi & Associates, Practicing Company Secretaries have been appointed as the Scrutinizers to scrutinize the e-voting process and voting by ballots at the 78th Annual General Meeting in a fair and transparent manner.
- xviii.** The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the Annual General Meeting, unblock the votes in the presence of at least two

(2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

- xix. The Results shall be declared within a period not exceeding three (3) working days from the conclusion of the Annual General Meeting of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website <http://www.pplindia.org> and on the website of CDSL within 3 (Three) days of passing of the resolutions at the Annual General Meeting and will be communicated to Members accordingly.
- xx. **The User id and Password for exercising e-voting facility to cast vote on the resolutions, as per the Notice of AGM, will be sent separately through courier at the address and e-mail id registered with the Company.**

ANNEXURE TO THE NOTICE:

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (2) OF THE COMPANIES ACT, 2013
ANNEXED TO AND FORMING PART OF THIS NOTICE:**

Item No. 6:

Mr. Balwinder Singh (DIN: 02807439) was appointed as an Additional Director by the Board of Directors of the Company with effect from 21st November, 2018, who holds office of Director upto the date of this Annual General Meeting and is eligible for appointment as a Director. The Company has received notice from member under section 160(1) of the Companies Act, 2013, proposing the candidature of Mr. Balwinder Singh for appointment as Director at the ensuing Annual General Meeting. A brief profile of Mr. Balwinder Singh is attached to this notice.

Hence the Board recommends the Resolution at Item No. 6 of this Notice for approval of the Members.

Except, Mr. Balwinder Singh and his relatives, none of the Directors or their relatives are concerned or interested in the proposed Special Resolution as set out in Item no. 6 of this Notice.

Item No. 7:

Mr. V.B. Gupta (DIN: 08313443), who was appointed as Additional Director by the Board of Directors at their Meeting held on Wednesday, November 21, 2018 and who holds office upto the date of ensuing Annual General Meeting, is eligible for appointment as a Director. The Company has received notice from member under section 160(1) of the Companies Act, 2013, proposing the candidature of Mr. V.B. Gupta for appointment as Independent Director at the ensuing Annual General Meeting. A brief profile of Mr. V. B. Gupta is attached to this notice.

Hence the Board recommends the Resolution at Item No. 7 of this Notice for approval of the Members.

Except, Mr. V.B. Gupta and his relatives, none of the Directors or their relatives are concerned or interested in the proposed Special Resolution as set out in Item no. 7 of this Notice.

Item No. 8:

Mr. Rajat Kakar (DIN : 01592740), who was appointed as Additional Director by the Board of Directors at their meeting held on Wednesday, November 21, 2018 and who holds office upto the date of ensuing Annual General Meeting, is eligible for appointment as a Director. The Company has received notice from member under section 160(1) of the Companies Act, 2013, proposing the candidature of Mr. Rajat Kakar for appointment as Director at the ensuing Annual General Meeting. A brief profile of Mr.Rajat Kakar is attached to this notice.

Hence the Board recommends the Resolution at Item No. 8 of this Notice for approval of the Members.

Except, Mr. Rajat Kakar and his relatives, none of the Directors or their relatives are concerned or interested in the proposed Special Resolution as set out in Item no. 8 of this Notice.

Item No. 9:

The Board of Directors of the Company at their meeting held on November 21, 2018, subject to approval of members, approved appointment of Mr. Rajat Kakar (DIN : 01592740) as Managing Director of the Company on the terms and conditions as mentioned in the Agreement executed between the Board and Managing Director of the Company.

Pursuant to the provisions of Section 196 read with the Companies (Appointment and Remuneration of Managerial Remuneration) Rules, 2014 of the Companies Act, 2013, appointment of Managing Director is required to be approved by Members of the Company.

Hence the Board recommends the Resolution at Item No. 9 of this Notice for approval of the Members.

Except Mr. Rajat Kakar, no other directors and key managerial person of the Company are interested or concerned in the proposed resolution.

Item No.10:

Upon enactment of the Companies Act, 2013, the provisions of the Companies Act, 1956 have been repealed and in view of the same, the Articles of Association of the Company needs to be re-aligned as per the provisions of the Companies Act, 2013. Further, it is proposed to pursue the application for re-registration as a Copyright Society under Section 33 of the Copyright Act, 1957 for sound recordings in accordance with the resolution passed at the General Meeting held in December 2017 for which certain provisions of the Copyright Act, 1957 and the rules thereto need to be inserted in the Articles of Association.

In accordance with the provisions of Section 14 of the Companies Act, 2013, amendment to the existing Articles of Association of the Company by adoption of a new set of Articles of Association of the Company in total exclusion and substitution thereof, would require approval of the members of the Company by way of passing of a Special Resolution at a general meeting. Accordingly, the above resolution is proposed for approval of members of the Company.

The Board, therefore, recommends this Special Resolution for approval of the Members.

A copy of the existing as well as the new Articles of Association of the Company shall be available for inspection of the Members at the Registered Office of the Company during business hours on all working days upto the date of the ensuing Annual General Meeting.

None of the Directors, including their respective relatives shall be deemed to be interested in the above resolution save and except that the music company of which they are the Director is a member of the Company.

Item No.11:

The Public Performance Tariff Scheme has been revamped after market survey and discussion with licensees. The tariff categories have been more simplified for better compliance and understanding. The revised Public Performance Tariff Scheme to be approved by the members of the Company has been enclosed herewith along with the Notice. Members are requested to approve the same and pass the proposed resolution as Special resolution, with or without modifications.

The Board recommends the Resolution at Item No. 11 of this Notice for approval of the Members.

None of the Directors and Key Managerial Personnel including their respective relatives shall be deemed to be interested in the above resolutionsave and except that the music company of which they are the Director is a member of the Company.

Item No.12:

As the Members are aware, the Company has always followed the practice of getting the "Members' License Fees Distribution/ Payment – Basis & Methodology i.e. Distribution Scheme" approved by the members. The Distribution Scheme have been enclosed herewith along with the Notice. Members are requested to approve the same and pass the proposed resolution as Special resolution, with or without modifications.

Copy of the Members' License Fees Distribution/Payment – Basis & Methodology is also available for inspection of members at the Registered Office of the Company during business hours on all working days upto the date of the ensuing Annual General Meeting.

The Board recommends the Resolution at Item No. 12 of this Notice for approval of the Members.

None of the Directors and Key Managerial Personnel including their respective relatives shall be deemed to be interested in the above resolutionsave and except that the music company of which they are the Director is a member of the Company.

For and on behalf of the Board

Place: Mumbai
Dated: 26th July, 2019

Sd/-
RAJAT KAKAR
Managing Director
DIN: 01592740

Annexure

Details of Directors proposed for appointment/ re-appointment at the forthcoming Annual General Meeting

Name	Sanujeet Bhujabal	Vinit Harish Thakkar	Kumar Ajit
Date of Birth	20/10/1968	18/05/1977	01/03/1977
Age	50	42	42
Date of appointment on the Board	16/04/2018	24/01/2018	29/05/2018
Qualification	SERVICE	SERVICE	SERVICE
Terms and conditions of appointment	Appointed as nominee director representing Sony Music Entertainment India Private Limited in place of Mr. Shridhar Subramaniam.	Appointed as nominee director representing Universal Music India Private Limited in place of Mr. Devraj Sanyal.	Appointed as nominee director representing Saregama India Limited in place of Mr. Ghanashyam Aayeer
Remuneration sought to be paid* (only sitting fees paid)	Nil-	Nil	Nil
Remuneration last drawn (FY18-19) (only sitting fees paid)	Nil	Nil	Nil
Brief Biography and Expertise	Sanujeet is the Senior Director, Marketing, Syndication & Live Business with Sony Music. He is a business leader & marketing professional with high level skills in Business Planning, Marketing, Strategy Development, Content Development, Digital Marketing, Execution & Leadership skills in the Music & Entertainment Industry.	Vinit is the Senior Vice President - India & South Asia at Universal Music. His area of expertise spans across the Artist & Repertoire, Digital Strategy, Music Publishing, Licensing and Music Festival businesses.	Ajit is Vice President - Sales and Marketing at Saregama India. A seasoned professional he has been instrumental in leading the sales/marketing strategies at Saregama.
List of other Companies in which he holds Directorship as on 31/03/2019	1-Sony Music Entertainment India Private Limited	1- Universal Music India Private Limited 2-Virgin Records India Private Limited	1-Saregama FZE, UAE
No. of Meetings attended during FY2018-19	4	6	3
Relationship with other Director/s, Manager and Key Managerial Personnel	None	None	None

Name	Balwinder Singh	Justice Vidya Bhushan Gupta	Rajat Kakar
Date of Birth	27/08/1966	25/11/1948	26/02/1963
Age	52	70	56
Date of appointment on the Board	21/11/2018	26/12/2018	21/11/2018
Qualification	BUSINESS	FORMER JUDGE, DELHI HIGH COURT	SERVICE
Terms and conditions of appointment	Appointed as Additional Director holding office upto the date of ensuing annual general meeting of the company.	Appointed as an Independent Director with effect from the date of allotment of director identification number for a continuous period of 2 years from the date of appointment.	Appointed as Additional Director holding office upto the date of ensuing annual general meeting of the company. Appointed as Managing Director and Chief Executive Officer with immediate effect on the terms and conditions as finalized between the Board of Directors and the Managing Director.
Remuneration sought to be paid	-	-	As per contract
Remuneration last drawn (FY18-19)	-	-	As per contract
Brief Biography & Expertise	Balwinder is the Director of Speed Records. Under his leadership, Speed Records has been one of the largest producer of Punjabi movies which have revolutionised the industry both in concept and in numbers.	Justice Gupta comes with more than 40 years of vast experience including matters related to Economic Offences Wing, CBI, Income Tax Act.	Prior to joining PPL, Rajat had worked in leading companies such as Asian Paints and Procter & Gamble where he honed his skills on globally renowned brands and best management practices.
List of other Companies in which he holds Directorship as on 31/03/2019	1-BSJS Enterprise LLP 2-Ovah Media LLP 3-Moviebox Records Private Limited 4-Impress Your Stars Private Limited 5-Speed Records Entertainment Private Limited	NIL	1-Nextgen Telesolutions Private Limited
No. of Meetings attended during FY2018-19	1	1	1
Relationship with other Director/s, Manager and Key Managerial Personnel	None	None	None

DETAILS OF VENUE OF THE ANNUAL GENERAL MEETING

Address : Hotel Rang Sharda, Embassy Banquet Hall, Near Lilavati Hospital, Bandra Reclamation, Bandra West, Mumbai - 400 050

ROUTE MAP: <https://goo.gl/maps/UCYw2dj93sqFKH2x8>



PHONOGRAPHIC PERFORMANCE LTD.

Registered & Head office:

Crescent Towers, 7th floor, B/68, Veera Estate,
Off New Link Road, Andheri West, Mumbai 400 053

Bankers:

State Bank of Mysore, Lokhandwala branch, Mumbai
Citibank, N.A., Corporate banking, Fort, Mumbai

Auditors:

Price Waterhouse, Mumbai Chartered Accountants

Process Review Auditors:

Ernst & Young, Mumbai Chartered Accountants

Board of Directors:

1. Mandar Thakur, *Times Music, Chairman*
2. Ajit Kumar, *Saregama*
3. Vinit Thakkar, *Universal Music*
4. Sanujeet Bhujabal, *Sony Music*
5. Bhushan Kumar, *Super Cassettes Industries*
6. Balwinder Singh, *Speed Records Entertainment.*
7. Justice (Retd.) Vidya Bhushan Gupta, *Independent Director*
8. Rajat Kakar, *Managing Director & CEO*

Company Registration no. U 74999 MH 1941 GAP 142271

Website: www.pplindia.org

**REPORT OF THE DIRECTORS ON THE WORKING OF THE COMPANY FOR THE
YEAR ENDED 31ST MARCH 2019**

This Report provides full and detailed account of the Company's activities during the year ended 31st March 2019, including significant developments and new initiatives.

1. FINANCIAL RESULTS:

(Amount in Rs.)

Particulars	For the year ended 31-03-2019	For the year ended 31-03-2018
Profit for the year before tax	69,89,152	75,54,233
Less: Current Tax	-	-
Minimum Alternate Tax (MAT)	13,31,783	14,39,459
Minimum Alternate Tax Credit Receivable	(13,31,783)	(14,39,459)
Deferred Tax charge / (Credit)	10,94,989	54,02,548
Profit after Tax	58,94,163	21,51,685
Add: Balance brought forward from last year	8,92,33,555	8,70,81,870
Surplus in Statement of Profit and Loss	9,51,27,718	8,92,33,555

2. LICENCE FEE REVENUE; COSTS:

The Company is engaged in licensing the Public Performance and Radio Broadcasting rights of its members' sound recordings to users/licensees; licences are issued for limited period and purpose, on non-exclusive, conditional, revocable/cancellable basis, wherein there is no transfer of effective title, control, possession or custody of rights. The Company does not promote or engage in marketing of any particular member's repertoire. The head office at Mumbai, Maharashtra is the sole and central office for issue of licenses, invoices, collection and accounting of royalty/license fee payments.

The Company publishes the tariff charged for various categories of users on its website and periodically updates its categories and applicable tariffs by its practice of consulting with cross-section of licensees and also taking into account industry trends alongside best global practices while recommending additions/changes to the Tariff Chart.

License fee revenue (of members) in the current year was Rs. 103.81 Crores (previous year Rs 85.94 crores, thereby achieving an overall growth of 21% over previous year. Other Income, which also includes interest earned, was Rs. 2.35 crores (Previous Year Rs. 1.04 crores). Out of this, Rs. 1.65 crores being interest earned and write-back of liabilities no longer required have been utilized/appORTioned for the benefit of members to support/reduce cost recoupments out of licence fee payments to members.

Radio Broadcasting

The Company ended the financial year at Rs 23.59 Cr. This is a growth of 19% compared to previous year revenues. Major players contributing to this are AIR (All India Radio), ENIL(Mirchi), Sun (Red FM), Next Radio (Radio One), HT Media (Fever FM), Reliance (Big FM), and MBL (RadioCity).

As of now, around more than 365 private FM radio stations are operational & out of which 340 are paying us. Wherever usage is found without license, the Company is initiating appropriate action. A few FM Radio broadcasters have filed applications with the Copyright

Board now merged with Intellectual Property Appellate Board (IPAB) seeking compulsory licensing, which are yet to be heard by the IPAB.

Interim or ad-hoc payments are received from litigants (eg. HT-Fever, Radio Oye/Today). The same is distributed to members, as per track-wise logs. In the event of any adverse final order by the concerned Court, the interim/adhoc payments distributed are liable to be recouped/recovered from the members. Members concerned are requested to note the same.

Being a collecting body, the Company is prudent and appropriately conservative in accruing income.

Public Performance

FY 18-19 showed a 25% overall growth, to INR 80 Crore as compared to INR 64 Crore in FY 17-18. Majority of the revenue came in from events, IPL & Hockey World Cup being few of them. Major deals were closed for background music with leading players in the burgeoning retail sector. We also concluded a deal with a leading premium five-star hotel chain, for all hotels owned/controlled/managed by them throughout India.

Total overheads were in line with the Budget. In spite of legal overheads exceeding budgets, there was a partial offset due to saving in other overheads due to effective cost management. Litigation costs were productive and beneficial, resulting in a good amount of licence fees being collected from under-litigation broadcasters and licensees. Accordingly, the Board has unanimously approved the cost incurred, as it is due to market conditions and for the benefit of members.

3. INFRINGEMENT, ENFORCEMENT AND ANTI-PIRACY

Non-physical or digital piracy has taken many and varied forms such as public performance at hotels, events, shows etc. by event organisers, DJs, establishment-owners etc. without taking prior licence; illegal storage or transfer of music; playing of music by un-licensed radio stations. The effects of piracy are widespread and felt not only at your company but throughout the music industry.

4. COMPLIANCE WITH VARIOUS STATUTES

The Company maintains proper accounts of license fees collected, payments made to members and other recurring and non-recurring expenditure incurred for meeting the administrative and related matters, including the cost of litigations. The complete set of books of accounts are maintained in the registered office of the Company. Financial statements are audited, annually, by the statutory auditors Price Waterhouse, Chartered Accountants. In order to further streamline our processes and adopt best corporate governance practices we have also engaged Ernst and Young, Chartered Accountants to conduct periodic process review audits.

Queries from government departments, enquiry bodies, and enforcement agency, have been promptly attended to, after obtaining legal advice, as may be required and litigation is initiated as appropriate.

Queries for assessment and other queries from Service tax and GST departments have been suitably responded to, in consultation with qualified professionals and tax lawyers.

5. MEMBERS, LICENCE FEE DISTRIBUTION

PPL has 341 members as at date. Our repertoire now comprises of big hits from Regional, Bollywood and International music content.

Lahari Recording Company, one of the market leaders in South, SVF Entertainment Private Limited, market leader in East and 53 members of South Indian Music Companies Association (SIMCA) have joined PPL during the year.

Your company is actively involved in interactions with its members. Dialogue: The Indian Music Convention 2018 and our Outreach programs in Chennai, Chandigarh and Kolkata was an opportunity created for our members and all stakeholders to come together to network and learn. We have successfully renewed all member assignments in March 2019.

Pursuant to clause 8.2 of the Articles of Association, the Board of Directors have framed a set of detailed "Rules and Regulations for Members" and the last revision had been circulated to all members in 2018. Now the same has been revised and the updated Rules & Regulations is now circulated to all the members, along with the AGM papers. Members are advised to peruse and take note of the same and to ensure compliance at all times. The Company has initiated the process of KYC for all its members so as to keep its database current and updated.

The Board takes note and the members are also well aware that there is a close 'mutuality of interest' between the members and the Company.

6. INVESTMENTS, TAXES & CASH-FLOW

Every year, being essentially functioning as a not-for-profit association, your Company is applying for and obtaining concessional TDS certificate. Cumulative amount of income tax and service tax/GST awaiting refund and set-off is approximately Rs. 13.91 Crores. All formalities for seeking the refund have been initiated by your Company on timely basis. Income-tax assessment has been completed upto Assessment Year 2015-16. There has been no scrutiny assessment for the A.Y. 2016-17 and A.Y. 2017-18.

During the year 2016-17, the company received Notice of Demand dated December 16, 2016 from the Deputy Commissioner of Income Tax for Rs.30,264,341 for non-disclosure of income of Rs.78,376,440 in the books of accounts for A.Y.2011-12 as compared with Form 26AS, based on their internal audit objection. The Company had filed an appeal against the said demand to CIT (Appeals) on January 16, 2017 and had paid 15% of the demand amounting to Rs. 4,539,650. The Commissioner of Income-tax (Appeals) vide its order dated February 26, 2018, allowed the appeal by reducing the addition made to income. The Income Tax department has filed an appeal against this order before the Tribunal. PPL has filed its Cross Objections and the appeal is listed for hearing on September 12, 2019.

Enforcement Directorate (ED) had raised a provisional attachment order number 09/2016 (File No: ECIR/05/MBZO/2015/1329) dated June 2, 2016 for an amount of Rs.130,400,000/-. As per the order, bank balance amounting to Rs.130,400,000 with respect to current account balance in SBI (formerly SBM now merged with SBI) and CitiBank amounting to Rs.120,961,770 and Rs.9,438,230 respectively, was provisionally attached under sub section (1) of Section 5 of Prevention of Money Laundering Act, 2002. The Hon'ble Bombay High Court in its detailed Order dated April 2, 2019 issued clear directions for the release of the funds lying with the banks. ED vide letter dated May 17, 2019 directed the banks, SBI and Citibank to immediately release the funds to PPL and the banks have released the funds. The company has promptly returned the funds to its members in the relevant ratio as was withheld

earlier. The ratio used for deriving withholding from amounts to members was basis the television synchronization income starting January 2008 and ending December 2013.

The Company has invested 30,000 Euros (INR equivalent ~ 23 lakhs) towards subscription of one ordinary share in Soundsys Private Limited, a Company being incorporated in Singapore. This investment is made in accordance with the prevailing Overseas Direct Investment (ODI) regulations laid down by RBI in this regard. Soundsys Private Limited is actively working with BMAT, a Barcelona based tech company, to adopt global best practices in the development, operation, repertoire database management and effective distribution systems.

7. DIRECT & INDIRECT TAXES

a. In respect of non-provision for Service Tax for the ten Show cause-cum-demand notices received from the service tax department amounting to Rs.347,995,047/- (March 31, 2018: Rs.337,369,979) for the taxable value of services rendered under the category of "Club or Association" for the period June 16, 2005 to June 30, 2017, the Auditor's remarks in their Report, read along with Note 18, are self explanatory.

i) The Commissioner of Service Tax, Mumbai-II vide Order in Original No. 21-23/ST-II/KKS/2010 dated November 30, 2010 confirmed service tax for the period June 16, 2005 to March 31, 2010 amounting to Rs. 60,170,407 along with interest and imposed penalty of equivalent amount, for the taxable value of services rendered under the category of "Club or Association". However, the Company had challenged the Order by filing an appeal before the Customs Excise and Service Tax Appellate Tribunal, Mumbai ("CESTAT"). CESTAT vide its Order no. A/86369-86371/17/STB dated 16.03.2017 rejected the appeal of the Revenue and allowed the PPL appeal. Subsequently, the Department has appealed against the said order before the Hon'ble Supreme Court and the same has been admitted in the month of November 2017. The Company is expecting a favorable outcome.

ii) The Company received Order in Original No. 64-66/ST-II/RS/2014 dated August 28, 2014 passed by the Commissioner of Service Tax, Mumbai-II confirming demand of Rs. 83,217,806 in the matter of Show cause-cum-demand notices for the period April 1, 2010 to March 31, 2013. The Company has filed an appeal against this Order on December 3, 2014 before the Customs Excise and Service Tax Appellate Tribunal ("CESTAT") and has also paid the mandatory pre-deposit of Rs.6,241,336 as per the provisions of the Act. The hearing has concluded on April 4, 2019. CESTAT vide its Order no. A/86194-86195/2019 dated April 4, 2019 has allowed PPL appeal and demand is set aside.

iii) The Company also received Order in Original No. 08/ST-VI/RS/2014 dated December 31, 2014 passed by the Commissioner of Service Tax - VI confirming demand of Rs. 42,053,684 in the matter of Demand Notice for the period April 1, 2013 to March 31, 2014. The Company has filed an appeal against this Order on March 3, 2015 before the Customs Excise and Service Tax Appellate Tribunal ("CESTAT") and has also paid the mandatory pre-deposit of Rs.3,154,027 as per the provisions of the Act. The hearing has concluded on April 4, 2019. CESTAT vide its Order no. A/86194-86195/2019 dated April 4, 2019 has allowed PPL appeal and the demand is set aside.

iv) The Company during F.Y. 2015-16 has received another show cause cum

demand notice for F.Y. 2014-15 for Rs.44,637,052 dated January 29, 2016 in relation to taxable value of services under the category 'Club or Association' service. The Company has filed its reply and personal hearing also has been granted. The Company is expecting a favorable Order.

- v) The Company during F.Y. 2017-18 received another show cause cum demand notice for F.Y. 2015-16 and F.Y. 2016-17 for Rs.87,757,327 dated February 15, 2018 in relation to the matter referred to in (iv) above i.e., the taxable value of services under the category 'Club or Association' service. The Company has filed its reply and personal hearing also has been granted. The Company is expecting a favorable Order.
- vi) The Company during F.Y. 2018-19 received another show cause cum demand notice for the period April 1, 2017 to June 30, 2017 for Rs. 10,625,068 dated February 21, 2019 in relation to the matter referred to in (iv) above i.e., the taxable value of services under the category 'Club or Association' service. The Company is yet to file its reply.
- vii) Subsequent to audit conducted by Service Tax department for F.Y.2010-11 and 2011-12, the Company received three Show cause-cum demand notices of Rs.106,594 dated January 22, 2014, Rs.152,259 dated January 13, 2014 and Rs.125,288 dated February 2, 2014 respectively based on audit observations. The Company had disputed the demands amounting to Rs.384,141 and filed its written replies to the said notices and also attended personal hearings called for from time to time. The Commissioner of Service tax, Mumbai vide Order in Original Nos. 04, 05 and 06 all dated May 28, 2015 received by the Company on June 17, 2015, confirmed service tax amounting to Rs.106,594, Rs.152,259 and Rs.125,288 respectively and imposed interest and penalty on the said amounts as adjudicated in the Order. The Company has filed an appeal against these Orders on August 14, 2015 before the Hon'ble Commissioner of Central Excise - Appeals challenging the Orders and has also paid the mandatory pre-deposit of Rs.19,414 as per the provisions of the Act. The hearing has not yet commenced in the matter.

The Company is confident of winning the appeals, based on legal opinion obtained; hence no provision has been made in books of account.

During the year 2016-17, the Company received another Show Cause Cum Demand Notice on September 30, 2016 for Rs.19,149,562 for the period 2011-12 to 2012-13. The Company has disputed the demand and filed its written reply to the Show Cause Cum Demand Notice. Personal hearing is awaited.

The Company is of the view that these demands have been erroneously made by the department and is confident of a favorable outcome; hence no provision has been made in books of account.

- b. During the year 2016-17, the company received Notice of Demand dated December 16, 2016 from the Deputy Commissioner of Income Tax for Rs.30,264,341 for non-disclosure of income of Rs.78,376,440 in the books of accounts for A.Y.2011-12 as compared with Form 26AS. The Company had filed an appeal against the said demand to CIT (Appeals) on January 16, 2017 and had paid 15% of the demand amounting to Rs. 4,539,650. The Commissioner of Income-tax (Appeals) vide its order dated February 26, 2018, allowed the appeal by reducing the addition made to income. The Income Tax department has filed an appeal against this order before the Tribunal. PPL has filed its

Cross Objections and the appeal is listed for hearing on September 12, 2019.

- c. During the year 2018-19, the company received intimation u/s 143(1) of the Income Tax Act, 1961 wherein it was noticed that Employee Contribution to Provident Fund amounting to Rs. 1,318,189 has been disallowed, being paid after the due date prescribed u/s 36(1)(va), but before the due date of filing the Return of Income. The Company believes that it has a very good case, as the same has been allowed in all earlier assessments and there are judgements favouring the Company and hence, the Company has preferred an appeal on April 18, 2019 before CIT (A) challenging the disallowance.

8. REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES:

During the year under review, your Company did not have any subsidiary, associate and joint venture company.

9. INTERNAL CONTROL SYSTEMS:

Adequate internal control systems commensurate with the nature of the Company's business and size and complexity of its operations are in place and has been operating satisfactorily. Internal control systems comprising of policies and procedures are designed to ensure reliability of financial reporting, timely feedback on achievement of operational and strategic goals, compliance with policies, procedure, applicable laws and regulations and that all assets and resources are acquired economically, used efficiently and adequately protected. During the year Ernst and Young (EY) were engaged to conduct Process Review Audits in certain core areas of operations. Their suggestions have been noted and are being implemented.

10. MATTERS RELATED TO DIRECTORS, KEY MANAGERIAL PERSONNEL AND EMPLOYEES:

During the year under review, the following were the changes in the Directors of the Company:

Sr. No	Name of the Director	DIN	Appointment/Resignation	Effective date
1	Ganesh Jain Chhaganlal	00332372	Resignation	01/04/2018
2	Mr. Sanujeet Bhujabal	01915460	Appointment	16/04/2018
3	Mr. Ajit Kumar	08105941	Appointment	29/05/2018
4	Ghanashyam Bhagwan Aayeer	00087760	Resignation	29/05/2018
5	Mr. Bhushan Kumar Dua	00126614	Appointment	17/07/2018
6	Kumar Sadhuram Taurani	00555831	Resignation	29/08/2018
7	Mr. Bhushan Kumar Dua	00126614	Regularisation of appointment of additional directors by shareholders at the AGM	26/09/2018
8	Mr. Vinit Thakkar	08050943		26/09/2018
9	Mr. Ajit Kumar	08105941		26/09/2018
10	Mr. Sanujeet Bhujabal	01915460		26/09/2018
11	Mr. Rajat Kakar	01592740	Appointment	21/11/2018
12	Mr. Balwinder Singh	02807439	Appointment	21/11/2018
13	Justice(Retd.)Vidya Bhushan Gupta	08313443	Appointment	26/12/2018

The Board places on record its deep appreciation for the services rendered by Mr. G. B. Aayeer, Mr. Ganesh Jain and Mr. Kumar Taurani during their respective tenure as Directors of the Company.

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Vinit Thakkar (DIN: 08050943), Mr. Sanujeet Bhujabal (DIN: 01915460) and Mr. Ajit Kumar (DIN: 08105941) shall retire by rotation at the ensuing Annual General Meeting of the Company who being eligible, have offered themselves for re-appointment. The Board recommends their appointment.

Mr. Rajat Kakar (DIN 01592740) was appointed as a Managing Director and Chief Executive Officer of the Company with effect from 21st November 2018 and is not liable to retire by rotation. The necessary resolutions for regularisation of his appointment as director and approval for his appointment as Managing Director & C.E.O. have been included in the Agenda of Annual General Meeting.

Mr. Balwinder Singh (DIN: 02807439) and Mr. Vidya Bhushan Gupta (DIN: 08313443) were appointed as Additional Directors of the Company on 21st November, 2018 and 26th December, 2018 respectively, to hold office upto the date of ensuing Annual General Meeting. The Company has received notices from members under section 160(1) of the Companies Act, 2013, proposing the candidature of Mr. Balwinder Singh and Mr. Vidya Bhushan Gupta for appointment as Directors at the ensuing Annual General Meeting.

The necessary resolutions for their appointment have been included in the notice of the Annual General meeting. The Directors recommend their respective appointment.

Declarations by Independent Directors

Pursuant to the provisions of sub-section (7) of Section 149 of the Companies Act, 2013, the Company has received declaration from an Independent Director confirming that he fulfills the criteria of independence as specified in Section 149(6) of the Companies Act, 2013.

In line with market norms and practices, the Company has been, for last many years, providing following benefits to its permanent and confirmed staff and managers: (i) group hospitalisation insurance; (ii) group personal accident insurance; (iii) group gratuity scheme linked with PPL Employees Gratuity Fund (trust).

11. DISCLOSURES RELATED TO BOARD MEETINGS:

The Board of Directors of the Company met six times during the financial year ended 31st March 2019 in accordance with the provisions of the Companies Act, 2013 and rules made there under on the following dates:

Serial No.	Date of Board Meeting
1.	6 th April, 2018
2.	29 th May, 2018
3.	17 th July, 2018
4.	28 th August, 2018
5.	21 st November, 2018
6.	11 th March, 2019

The maximum gap between 2 Board Meetings was not in excess of 120 days.

12. AUDITORS AND REPORTS:

The matters related to Auditors and their Reports are as under:

a. OBSERVATIONS OF STATUTORY AUDITORS ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2019:

The Board has duly reviewed the Statutory Auditors' Report on the Financial Statements. The observations made by the Auditors read with the relevant notes in Notes to Accounts are self-explanatory and do not require further clarification.

b. APPOINTMENT OF AUDITORS:

Pursuant to the provisions of Section 139 (1) of the Companies Act, 2013, at the Seventy third Annual General Meeting of the Company held on 30th September, 2014, M/s. Price Waterhouse, Chartered Accountants, Mumbai (Firm Registration No. 301112E) were appointed as the Statutory Auditors of the Company for continuous period of five years to hold office till the conclusion of the Seventy Eighth Annual General Meeting. Accordingly their term expires at the conclusion of the ensuing Annual General Meeting of the Company.

Pursuant to the provisions of Section 139(1) of the Act, it is proposed to re-appoint them for a term of five years i.e. from the conclusion of 78th Annual General Meeting until the conclusion of the 83rd Annual General Meeting of the Company.

c. FRAUD REPORTING:

During the year under review, there were no instances of material or serious fraud falling within the purview of Section 143(12) of the Act and the rules made thereunder, by officers or employees reported by the Statutory Auditors of the Company during the course of the audit.

13. PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS AND SECURITIES:

During the Financial year 2018-19, the Company has neither given any loans or guarantees nor made any investments under Section 186 of the Companies Act, 2013 and hence, no information in this regard has been furnished.

14. EXTRACT OF ANNUAL RETURN:

Pursuant to the provisions of Section 134(3)(a) of the Companies Act, 2013, Extract of the Annual Return for the financial year ended 31st March 2019 made under the provisions of Section 92(3) of the Act is attached as **Annexure** which forms part of this Report.

15. PARTICULAR OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES:

During the financial year 2018-19, the Company did not enter into any transactions/contracts/arrangements with related party (ies) as defined under the provisions of Section 2(76) of the Companies Act, 2013.

16. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

A] Conservation of Energy, Technology Absorption:

Considering the nature of its activities, the Board of Directors has nothing to report as per the requirements of Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014.

B] Foreign Exchange Earning and Outgo:

	1st April, 2018 to 31st March, 2019 [Current F.Y.]	1st April, 2017 to 31st March, 2018 [Previous F.Y.]
Actual Foreign Exchange earnings	Nil	Nil
Actual Foreign Exchange outgo	47,678	Nil

17. RISK MANAGEMENT POLICY:

Risks are events, situations or circumstances which may lead to negative consequences on the Company's businesses. Risk management is a structured approach to manage uncertainty. The Board has adopted a Risk Management Policy. All business divisions and corporate functions have embraced Risk Management Policy and make use of it in their decision making. Key business risks and their mitigation are considered in day-to-day working of the Company. The risk management process over the period of time will become embedded into the Company's business system and process, such that the responses to risk remain current and dynamic.

18. DEPOSIT:

Your Directors state that no disclosure or reporting is required in respect of acceptance of deposits covered under Chapter V of the Companies Act, 2013, as the Company has not accepted or renewed deposits during the year under review.

19. MATERIAL CHANGES AND COMMITMENTS

Your Directors further state that except as disclosed elsewhere in this report, no material changes and commitments which could affect the Company's financial position, have occurred between the end of the financial year of the Company and date of this Annual Report.

20. LITIGATIONS

PPL is involved in litigations against infringers who exploit its repertoire, without due licence or do not honour their commitments under the licence. The Company made significant progress in the pending litigations whereby many cases are now reached the stage of hearing, recording evidence and there is a positive chance of these getting adjudicated sooner. PPL has brought on record wherever necessary about cessation as copyright society.

1. Constitutional Challenge of certain provisions of Copyright Act

Eskay Video Private Limited has filed application in Calcutta High Court challenging certain provisions of the Copyright Act, as amended in 2012, PPL has made an application in Writ petition No. 92 of 2015 for impleading itself as a party to the said Writ Petition and has challenged the Constitutional validity of Section 31(1) (b) and 31D of the Copyright Act, 1957, as amended in 2012, together with the corresponding Rules. The application has been accepted and PPL has filed Affidavit in reply in support of the Petition. Hearing to commence.

2. Litigations related to Radio and TV broadcasters:

(i) **PPL v/s MBL Bombay High Court**, in 2013: PPL has cancelled all the 20 Compulsory Licenses (in respect of its 20 stations) granted to Music Broadcasting Pvt Ltd, Mumbai (Radio City) by the Registrar of Copyrights in Sept. 2010 for breach (continued non-payment of 2% compensation, etc) and has also filed a suit for injunction and damages against them in Mumbai High Court. Trial about to begin in this matter.

(ii) **MBL v/s PPL, Delhi High Court**: MBL approached Hon'ble Delhi High Court and has obtained a temporary stay on the cancellation Notice. The said suit granting MBL a stay was dismissed on the ground of territorial jurisdiction, MBL has moved an appeal before the division bench in Delhi High Court, against the said order. Division bench in

Delhi High Court is pleased to set aside the dismissal and remand the matter before the single Judge. While hearing on the interim application the court was pleased to appoint Chartered Account firm Hari Bhakti to verify the accounts of MBL.. Firm filed its report before the Delhi High Court. The report has brought out the discrepancies in MBL's accounting system. PPL has filed its submissions and objection to the said report.

(iii) **MBL Vs. PPL filed in Bombay High Court:** In the said suit MBL has claimed adjustment of the license fee to be adjusted towards future use and exploitation of PPL's Sound recording. In the suit by MBL, trial has commenced in the matter and cross examination of MBL's witness has been completed before the court commissioner. MBL re-examined the witness and the same is also complete and the Commissioner has sent the report to the Court. Re-examination done by Plaintiffs and new documents submitted. On objection by PPL, the same was referred to Court. The court has now allowed MBL to introduce witness No. 2.

(iv) **PPL v/s Puran Multimedia:** PPL has filed a suit before the Hon'ble Bombay High Court against Puran Multimedia for recovery of money due under the Voluntary License Agreements. The trial has commenced in the matter and examination in chief of PPL's witness has been completed. In the meantime, MBL and Shri Puran Multi Media Ltd moved an application of merger. The same was opposed by PPL as Puran owed us monies and the merger may hinder our claim against them. The court allowed the merger. Appeal was filed in the Bombay High Court against the said merger. Also an Appeal was filed in Allahabad High Court against sanctioning the scheme of demerger of Puran. In the said Appeal, delay was condoned and stay was granted against demerger. MBL immediately approached Supreme Court. After hearing, Supreme Court was pleased to direct MBL to deposit a sum of Rs. 2 crore with PPL and the remaining amount of Rs. 2.29 crores to be deposited in Bombay High Court via Bank Guarantee.

(v) **PPL v/s Radio Today Network Pvt. Limited:** PPL filed a suit for injunction and damages against the private FM Broadcaster who is broadcasting PPL works even though the license agreement for Calcutta FM radio Station had expired. By an interim Order, the Calcutta High Court Ordered the broadcaster to pay PPL the License fee at the rate agreed under the expired license agreement. PPL has also initiated additional proceedings to bring in their other 2 stations, viz. Mumbai and Delhi, under the same suit. In the said proceedings, the Calcutta High Court has directed TV Today to deposit a sum of Rs. 50 Lakhs. A contempt proceeding was filed since TV Today failed to deposit the same. Now, they have deposited the said amount in the Calcutta High court. Vide subsequent order the Hon'ble Court directed TV Today to deposit a further amount of Rs. 75 lakhs. PPL has now filed an Appeal to withdraw the said amounts and also prayed for the same rate as granted for Kolkata FM station. Also the Hon'ble Calcutta High Court was pleased to confirm the License fee at the rate agreed under the expired license agreement for Kolkata FM Station.

(vi) **PPL v/s HT Media ("Radio Fever"):** PPL filed a suit in November 2011 before the Hon'ble Delhi High Court for infringement and damages against HT Media for unauthorized broadcasting the sound recordings from PPL's repertoire on its FM Radio Station Fever 104 FM. HT Media filed a counter-claim in the suit filed by PPL. Vide an interim Order of the Hon'ble Delhi High Court; the Court directed HT media to pay royalty to PPL since the date of default. PPL has made this recovery from HT Media and also recovering monthly interim royalties on regular basis after the Order; the same is being distributed to members, on provisional interim basis, as per actual track-wise logs reports. Also, PPL recently filed an application in the suit, seeking relief with reference to regularization of the payments to be made on time by HT Media. The DHC, allowed the same and directed HT Media to make payment within two weeks from the receipt of the invoice sent by PPL. The application made by PPL for amendment to show change in its

status is allowed. Affidavit of Evidence of witness Mr. Shailesh Kripal filed in the matter.

(vii) **PPL Vs. HT Media:** HT media acquired 10 new FM stations under the Phase III licensing policy of the Government of India. After acquisition they commenced the FM Stations by using and exploiting PPL's copyrighted sound recordings without a permission and / or license from PPL and enforcing upon PPL payment at the rate of 2% of the net advertising revenue on the basis of the order passed in the previous suit. PPL sent them Contract cum demand letter calling upon them to make payment as per PPL's tariff rate. On failure of HT Media to make payment, PPL has filed a suit in Delhi High Court. The suit is pending hearing of the interim application. In the meantime, PPL has also initiated settlement talks with HT Media.

(vii) **PPL v/s HTMEL ("Aha HA FM- Chennai):** PPL filed an injunction suit against HTMEL, a subsidiary company of HT Media, against the broadcasting of their repertoire on a newly acquired radio station in Chennai. Matter is currently pending before the Bombay High Court.

(viii) **Statutory Appeals against CRB Order:** PPL has preferred statutory appeal before Madras HC against the Order of the Copyright Board dated 25.08.2010. In total 9 appeals are filed. The Appeals have been listed for hearing and PPL has filed further affidavits in the appeal, to bring on record certain new facts. Submissions of PPL have already commenced and is pending

(ix) **Litigation against Zee TV networks:** PPL, along with IPRS, has filed two suits against Zee TV Group Company for infringement and injunction in Delhi High Court and two Summary Suits in Bombay High Court. A fresh suit is filed in Delhi High Court for damages for the usage from 1.4.2010 to 31.12.2013. After injunction was obtained Zee approached PPL for settlement and offered to pay 12.85 Cr. Towards settlement of past dues and license fee for next three years. It however did not honour its commitments under the settlement. PPL therefore has taken out an application for a judgment and decree which is pending for hearing. Further, PPL has filed a new suit in Delhi High Court in respect of infringements from 1.1.2010 to 31.12.2013. Mediation is in progress under the direction of court by the parties presided by the Court appointed Senior Mediator. Settlement talks are going on and PPL will finalize the terms shortly.

(x) **PPL v/s Rajasthan Patrika ("Radio Tadka"):** PPL has filed a suit in Bombay High Court against Rajasthan Patrika to recover dues they owed to PPL prior to the CRB Order of August 2010. PPL has filed its evidence in the matter and the case is now to come up for final hearing. An application filed by Rajasthan Patrika for rejection of the suit under order 7 rule 11 has been dismissed. A commissioner is appointed by the court to record evidence. The trial has commenced in the matter and cross examination of PPL's witness has been completed. Affidavit of evidence of 2nd witness affirmed to prove the Mandates.

(xi) **PPL Vs. DB Corp, Bombay High Court:** Summary Suit for recovery of o/st of Rs. 5, 41, 84, 043/-. Unconditional leave to file written statement was allowed. The application made by PPL for amendment to show change in its status is allowed. PPL's witness evidence affidavit is filed and the cross examination is completed.

3. Case filed by Saregama India Ltd against Select Media: The member Saregama India Limited has instituted a suit against the past licensee Select Media Holdings Pvt Ltd, Mumbai, in Calcutta High Court. At interim stage, no relief has been granted by the Court; in any case, PPL's telecast licensing agreement with Select Media has expired on 31.12.2013 and has not been renewed.

4. Enforcement Directorate Vs. PPL, Bombay High Court: FIR dt 455 of 2014

registered at Sardar Police Station Agra against Hasan Kamal, Omprakash Sonik directors of IPRS under section 120B, 406, 421,468, 471, 506 and 34 of IPC. In pursuance of the FIR, ED filed ECIR no. MBZO/05/2015 for investigation into the offence of Money laundering under PMLA act and attached bank balance of Rs. 13.04 crores. Both LD. Adjudicating authority and the Appellate Tribunal was pleased to reject the complaint of ED. Hence ED has filed an Appeal before the Bombay High Court. In the meantime, we are successful in obtaining an order for the release of Rs. 13.04 crores. The said sum of Rs. 13.04 crores are released from the bank pursuant to the order and distributed among members. Appeal is pending. PPL has also preferred a writ petition before Bombay High Court to quash and set aside impugned ECIR Nos. ECIR/MBZO/5/2015

5. Rakesh Nigam, PPL and others Versus State and Anr., Delhi High Court: FIR No. 167/2016 registered by EOW. During the course of investigations, the matter got amicable settled between the parties. Writ Petition (Crl) was preferred for quashing of the FIR. According vide order dated 10.12.2018, the Hon'ble court was pleased to quash FIR No. 167/2016.

6. Shree Krishna International Inquiry: Complaint filed by Shree Krishna International before EOW against PPL and IPRS raising dispute in royalty payment. PPL satisfactorily explained to the police authorities that the member had not renewed his Agreement with PPL. While the Agreement was active payments were made to them as per the then existing royalty distribution policy of PPL. After preliminary inquiry, police authorities closed the inquiry against PPL.

7. Susheel Kumar Puri vs. M/s. Biscoot Records LLP & Others (PPL Resp No. 16), NCLT matter: Susheel Puri has filed an application in NCLT to appoint investigator. He has no locus to file the said application and reply to that effect is filed in NCLT. Matter pending.

8. Other actions:

PPL has initiated action against the Broadcasters who have acquired FM stations under Phase 3 licensing policy of the GOI and have unlawfully commenced broadcast of PPL's copyrighted sound recording by making a unilateral meager payment of 2% of the net advertising revenue. A Contract cum demand letter is sent to all the broadcasters enumerating the terms of the contract and raising demand of license fee based upon PPL's Phase 3 License fee rate. The Contract cum demand letters are periodically sent to all the defaulting broadcasters.

9. Litigations related to 'Public Performance':

WEST:

PPL filed 16 Suits Pan India during 2018 year end in Bombay High Court and moved before the Vacation Court as the regular Court (J. Kathawala) refused to grant injunction on the ground of mis-joinder, the Hon'ble High Court observed that issue raised by the Defendants that the maintainability of Suits, claim of the PPL that they are not the first owner and has not tracked as to who is the Original owner nor the PPL's title being established can be gone into at the time when the suit itself is tried, misjoinder of parties can be taken care of at the time of final determination and the assignment deed is not properly stamped. The Court directed the PPL to move the matter before the Vacation Court on 24-12-2018. On 24-12-2018 PPL moved before the vacation Court before the Hon'ble J. Bharati Dangre, after hearing of both the sides and granted injunction in favor of PPL.

In the year 2017, PPL filed 6 Appeals challenging the Order dated 21-12-2017 passed by the Single Judge before the Division Bench of Bombay High Court. Thereafter, matter listed various times before the Division Bench but couldn't reach. However, on 02-11-2018, all 6 Appeals listed before the Division Bench of Bombay High Court and after hearing the Hon'ble Court admitted the Appeal.

During year end 2016, PPL filed 14 Suits in the Bombay High Court to restrain the defendants for unauthorizedly playing the PPL songs without obtaining License, accordingly Court granted injunction in favor of PPL. Thereafter, all 14 Suits got dismissed for default in the month of October 2018. Thus, PPL filed Restoration Application to revive all the dismissed 2016 year end Suits. The Hon'ble Bombay High Court vide its Order dated 10-01-2019 restore all the 14 Suits and now the NOM is pending for final hearing.

Apart from that, there are several Suits filed before Ahmedabad, Vadodara and Pune Civil Courts and in all the matter Court granted Injunction in favour of PPL against the defaulter parties who refused to take license from PPL.

PPL amicably settled the matter with **Percept Live Pvt. Ltd.** on 11-12-2018 before the Hon'ble Bombay High Court and accordingly PPL withdrawn the Suits pending before the Bombay High Court.

Further, PPL amicably settled the matter with **Wizcraft International Entertainment Pvt. Ltd.** on 14-01-2019 and PPL undertakes and cooperate to quash the Criminal proceedings C.C. No. 14669 of 2016 pending before 9th ACMM Bangalore filed against Wizcraft.

SOUTH:

Ernakulum :

PPL filed suit against several defendants before Addl. District Judge, Ernakulum during 2018 year end. The Court has restrained all the defendants from publicly playing performing or by any manner communicating the sound recording works assigned to the Petitioner/Plaintiff to the members of the public by playing cassettes or CDs thereon in the events scheduled to be held on Christmas party on 25-12-2018 and New Year Events to be held on or before 31-12-2018.

PPL has settled with the below mentioned parties in North Region :

- 1) Eros
- 2) Shangrila Eros
- 3) Tivoli
- 4) Park
- 5) Roseate
- 6) Claridges
- 7) Radisson Mahipalpur
- 8) Tushar Lepcha
- 9) Ambience Mall

10. Besides, PPL has sent out the multiple notices to various establishments, hotels, restaurants etc. across the country reminding them to obtain mandatory public performance license.

21. OTHER DISCLOSURES:

Other disclosures as per provisions of Section 134 of the Act read with Companies (Accounts) Rules, 2014, your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review are furnished as under:

- Instances with respect to voting rights not exercised directly by employees of the Company.
- Payment of remuneration or commission to the Managing Director nor the Whole-time Directors of the Company by any of its subsidiaries.

22. REVISION OF FINANCIAL STATEMENT:

There was no revision of the financial statements pertaining to previous financial years during the year under review.

23. DIRECTOR'S RESPONSIBILITY STATEMENT:

In terms of Section 134(5) of the Companies Act, 2013, in relation to the audited financial statements of the Company for the year ended 31st March, 2019, the Board of Directors hereby confirms that:

- a. in the preparation of the annual accounts, the applicable accounting standards have been followed and there were no material departures from the same;
- b. such accounting policies have been selected and applied consistently and the Directors have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2019 and of the profit for the year ended on that date on behalf of the members of the Company for that year;
- c. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the annual accounts of the Company have been prepared on a going concern basis;
- e. proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively;

24. DISCLOSURES UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace and has also established an Internal Complaints Committee, as stipulated by The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules thereunder. During the year under review, no complaints in relation to such harassment at workplace have been reported.

25. ACKNOWLEDGEMENTS:

We take this opportunity to convey our sincere appreciation to all the Members, Music Licensees, IFPI, IMI, suppliers, bankers, lawyers, auditors, regulatory and government authorities and all other business associates for their continued support and confidence in the management of the Company. The Board places on record its appreciation of the contribution made by employees at all levels through their hard work, dedication, solidarity, co-operation and commitment.

BY THE ORDER OF THE BOARD

Sd/-

Sd/-

**MANDAR THAKUR
DIRECTOR
DIN: 05333792**

**RAJAT KAKAR
DIRECTOR
DIN: 01592740**

Date: 26th July, 2019

Place: Mumbai

Registered Office:

**CRESCENT TOWERS, 7TH FLOOR, B/68, VEERA ESTATE
OFF NEW LINK ROAD, ANDHERI (WEST), MUMBAI 400053.**

CIN: U74999MH1941GAP142271

Tel No. 2673 3601 Fax No. 2673 6304

Mail: info@pplindia.org

INDEPENDENT AUDITOR'S REPORT

To the Members of Phonographic Performance Limited

Report on the audit of the Standalone financial statements

Opinion

1. We have audited the accompanying standalone financial statements of Phonographic Performance Limited ("the Company"), which comprise the balance sheet as at March 31, 2019, and the statement of Profit and Loss, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. 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 Companies Act, 2013 ("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, 2019, and its cash flows for the year then ended.

Basis for opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

4. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

5. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that 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. 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.

INDEPENDENT AUDITOR'S REPORT

To the Members of Phonographic Performance Limited
Report on audit of the Financial Statements

6. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

7. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
8. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances; but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
9. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

10. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
11. 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.

INDEPENDENT AUDITOR'S REPORT

To the Members of Phonographic Performance Limited
Report on audit of the Financial Statements

- (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 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.
- (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) Clause (i) of section 143(3) is not applicable pursuant to notification G.S.R 583(E) dated 13 June 2017.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 18 to the financial statements;
 - ii. The Company has long-term contracts as at March 31, 2019 for which there were no material foreseeable losses. The Company did not have any derivative contracts as at March 31, 2019.
 - 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, 2019.
 - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2019.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

-sd-

Mumbai
July 26, 2019

Asha Ramanathan
Partner
Membership Number 202660

UDIN: 19202660AAAABQ7115

Annexure A to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Phonographic Performance Limited on the standalone financial statements as of and for the year ended March 31, 2019

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
 - (b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
 - (c) The title deeds of immovable properties, as disclosed in Note 9 on fixed assets to the financial statements, are held in the name of the Company.
- ii. The Company is in the business of rendering services, and consequently, does not hold any inventory. Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to the Company.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of the investments made by it.
- 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 provident fund, goods and service tax and income tax though there has been a slight delay in a few cases and is regular in depositing undisputed statutory dues, including service tax, profession tax, employees' state insurance, sales tax, duty of customs, duty of excise, value added tax and other material statutory dues, as applicable, with the appropriate authorities. Also refer note 18 to the financial statements regarding management's assessment on certain matters relating to provident fund.

Annexure A to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Phonographic Performance Limited on the standalone financial statements for the year ended March 31, 2019

Page 2 of 3

- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax and service tax as at March 31, 2019 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where the dispute is pending
The Finance Act, 1994	Service Tax Liability	60,170,407	June 16, 2005 to March 31, 2010	Hon'bl Supreme Court
		76,976,470*	April 1, 2010 to March 31, 2013	Customs Excise and Service Tax Appellate Tribunal
		38,899,657*	April 1, 2013 to March 31, 2014	
		44,637,052	April 1, 2014 to March 31, 2015	Office of Commissioner of Central GST, Mumbai West
		87,757,327	April 1, 2015 to March 31, 2017	
		364,727*	April 1, 2010 to March 31, 2012	Commissioner of Central Excise – Appeals
		19,149,562	April 1, 2011 to March 31, 2013	Commissioner of Service Tax
		10,625,068	April 1, 2017 to June 30, 2017	
Income Tax Act, 1961	Income tax	25,724,691*	April 1, 2010 to March 31, 2011	Commissioner of Income Tax, (Appeals)

* Net of amounts paid under protest

- viii. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. 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 by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The provisions of Section 197 read with Schedule V to the Act are applicable only to public companies. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable to the Company.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

Annexure A to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Phonographic Performance Limited on the standalone financial statements for the year ended March 31, 2019
Page 3 of 3

- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the provisions of Clause 3(xiii) if the Order are not applicable to the Company.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

-sd-

Asha Ramanathan
Partner
Membership Number 202660
UDIN: 19202660AAAABQ7115

Mumbai
July 26, 2019

Phonographic Performance Limited
Balance Sheet as at March 31, 2019
Amount in Rupees, unless otherwise stated

	Note	As at March 31, 2019	As at March 31, 2018
EQUITY AND LIABILITIES			
Reserves and Surplus	3	9,91,59,708	9,32,65,545
		<u>9,91,59,708</u>	<u>9,32,65,545</u>
Non-Current Liabilities			
Other Long-Term Liabilities	4	8,32,21,271	8,82,21,271
Long-Term Provisions	5	62,25,092	64,15,420
		<u>8,94,46,363</u>	<u>9,46,36,691</u>
Current Liabilities			
Trade Payables	6		
Total outstanding dues of Micro Enterprises and Small Enterprises		3,08,534	1,351
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		42,61,32,445	30,50,58,047
Other Current Liabilities	7	9,44,86,974	7,98,15,720
Short-Term Provisions	8	2,59,900	29,41,900
		<u>52,11,87,853</u>	<u>38,78,17,018</u>
TOTAL		<u>70,97,93,924</u>	<u>57,57,19,254</u>
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	9	2,11,16,111	2,17,81,671
Intangible Assets	10	36,55,365	23,57,892
Capital work-in-progress		7,40,000	-
Non-current Investments	11	23,39,436	-
Deferred Tax Assets (Net)	12	16,59,214	27,54,204
Long-Term Loans and Advances	13	13,29,90,734	12,96,14,159
		<u>16,25,00,860</u>	<u>15,65,07,926</u>
Current Assets			
Trade Receivables	14	2,94,29,824	7,17,74,564
Cash and Bank Balances	15	47,34,32,343	33,48,62,357
Short-Term Loans and Advances	16	4,12,92,390	1,12,42,163
Other Current Assets	17	31,38,507	13,32,244
		<u>54,72,93,064</u>	<u>41,92,11,328</u>
Total		<u>70,97,93,924</u>	<u>57,57,19,254</u>
Summary of Significant Accounting Policies	2		
Contingent Liabilities	18		

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

-sd-

Asha Ramanathan
Partner
Membership No. 202660

Place: Mumbai
Date: July 26, 2019
UDIN: 19202660AAAABQ7115

**For and on behalf of the Board of Directors of
Phonographic Performance Limited**

-sd-

Mandar Thakur
Director
DIN. 05333792

Place: Mumbai
Date: July 26, 2019

-sd-

Rajat Kakar
Director
DIN. 01592740

Place: Mumbai
Date: July 26, 2019

Phonographic Performance Limited
Statement of Profit and Loss for the year ended March 31, 2019
Amount in Rupees, unless otherwise stated

	Note	Year Ended March 31, 2019	Year Ended March 31, 2018
Revenue from Operations (Net)	20	28,91,19,048	27,17,53,102
Other Income	21	2,35,00,670	1,04,22,131
Total Revenue		31,26,19,718	28,21,75,233
Expenses			
Employee Benefits Expense	22	10,32,07,165	10,55,79,893
Depreciation and Amortisation Expense	23	38,30,981	45,18,374
Other Expenses	24	19,85,92,420	16,45,22,733
Total Expenses		30,56,30,566	27,46,21,000
Profit Before Tax		69,89,152	75,54,233
Tax Expense			
Current Year			
Current Tax		-	-
Minimum Alternate Tax (MAT)		13,31,783	14,39,459
Less: Minimum Alternative Tax Credit Receivable		(13,31,783)	(14,39,459)
Deferred Tax charge/ (Credit)		10,94,989	54,02,548
Profit for the Year		58,94,163	21,51,685

Earning Per Share - Basic and Diluted*

*Not Applicable as the Company is limited by guarantee and not having share capital.

Summary of Significant Accounting Policies 2

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

**For and on behalf of the Board of Directors of
Phonographic Performance Limited**

-sd-

-sd-

-sd-

Asha Ramanathan
Partner
Membership No. 202660

Mandar Thakur
Director
DIN. 05333792

Rajat Kakar
Director
DIN. 01592740

Place: Mumbai
Date: July 26, 2019
UDIN: 19202660AAAABQ7115

Place: Mumbai
Date: July 26, 2019

Place: Mumbai
Date: July 26, 2019

Phonographic Performance Limited
Cash Flow Statement for the year ended March 31, 2019
Amount in Rupees, unless otherwise stated

	Year ended March 31, 2019	Year ended March 31, 2018
A. Cash flow from Operating activities		
Net profit before tax	69,89,152	75,54,233
Adjusted for:		
Depreciation and Amortisation Expense	38,30,981	45,18,374
Sundry debtors written off, now recovered	-	(17,85,894)
Profit/(Loss) on Sale/Scrap of Fixed Assets (Net)	10,30,012	13,14,011
Liabilities no Longer Required Written Back	(26,31,466)	(10,82,004)
Interest Income	(2,08,66,705)	(75,52,733)
Operating Profit / (Loss) before Working Capital changes	(1,16,48,026)	29,65,987
Increase/(Decrease) in Trade Payables	12,13,81,581	(13,03,12,293)
Increase/(Decrease) in Other Liabilities	1,23,02,720	(2,56,87,779)
(Decrease) in Provisions	(28,72,328)	(1,55,12,272)
Decrease in Trade Receivables	4,23,44,740	4,28,66,010
Increase in Other Current Assets	-	13,73,29,152
(Increase)/Decrease in Loans and Advances	(1,62,43,665)	2,75,74,005
Cash generated from Operations	14,52,65,022	3,92,22,810
Taxes [Net]	(1,71,83,137)	1,18,60,275
Net cash from Operating activities (A)	12,80,81,885	5,10,83,085
B. Cash flow from Investing activities		
Purchase of Fixed Assets	(65,10,729)	(63,91,440)
Purchase of Investments	(23,39,436)	-
Sale of Fixed Assets	2,77,824	7,96,788
Interest Received	1,90,60,442	65,71,798
Net cash from Investing activities (B)	1,04,88,101	9,77,146
C. Cash flow from Financing activities		
Net cash (used in) Financing activities (C)	-	-
D. Net increase in Cash and cash equivalents (A+B+C)	13,85,69,986	5,20,60,231
E. Cash and Cash Equivalents as at April 1, 2018 (Opening Balance)	33,48,62,357	28,28,02,126
F. Cash and Cash Equivalents at March 31, 2019 (Closing Balance)	47,34,32,343	33,48,62,357
G. Components of Cash and Cash Equivalents (Refer Note 15)		
Balance with Banks:		
In Current Accounts	17,73,46,465	18,36,50,492
In Fixed Deposits with original maturity of less than 3 months	23,92,23,650	10,08,22,356
Other Bank Balances:		
Deposits with maturity more than 3 months but less than 12 months	5,68,62,228	5,03,89,509
Total Cash and Cash Equivalents	47,34,32,343	33,48,62,357

Notes:

- The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard-3 on "Cash Flow Statements" notified under section 211(3C) of the Companies Act, 1956.
- Cash and cash equivalents at the end of the year represents cash and bank balances.
- Previous year's figures have been regrouped / reclassified wherever applicable.

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

-sd-

Asha Ramanathan
Partner
Membership No. 202660

Place: Mumbai
Date: July 26, 2019
UDIN: 19202660AAAABQ7115

**For and on behalf of the Board of Directors of
Phonographic Performance Limited**

-sd-

Mandar Thakur
Director
DIN. 05333792

Place: Mumbai
Date: July 26, 2019

-sd-

Rajat Kakar
Director
DIN. 01592740

Place: Mumbai
Date: July 26, 2019

Phonographic Performance Limited
Notes to Financial Statements as at and for the year ended March 31, 2019

Note 1

General Information

The Indian Phonographic Industry (IPI), the Association of Phonogram Producers, was established in 1936, and it was instrumental in finalising the Broadcasting Licence arrangement in India. Subsequently, IPI members decided to form a specialised body to administer their Public Performance and Broadcasting Rights, so Phonographic Performance Limited (PPL) came into being and was registered and incorporated as a Company on April 24, 1941. PPL is a Company limited by Guarantee and not having a share capital, where liability of the members is limited. IPI changed its name to The Indian Music Industry (IMI) in 1994.

PPL had been functioning as the Performing Rights Society for Sound Recordings. After the amendments in copyright law in 1994, PPL was registered with the Registrar of Copyrights, Government of India, as Copyright Society in respect of Sound Recordings.

PPL is mainly engaged in administering the radio Broadcasting and Public Performance Rights of the music labels which are its members. The main object of the Company includes issuing or granting licence for the public performance of sound recordings and distributing the royalties, after recoupment of expenses and out-goings, to members. The head office at Mumbai, Maharashtra, is the sole and central office for issue of licences, invoices, collection and accounting of royalty/licence fee payments.

Pursuant to the 2012 Amendment to the Copyright Act with effect from 21.6.2012, more specifically in Chapter VII and the newly inserted second proviso to Section 33 (3A) read with the new Copyright Rules 2013, seeking Copyright Societies to re-register, the Company, had within the one year period available to apply for re-registration, applied for the same on 10.5.2013. Since the Company did not get any response from the Central Government, the Company, vide its letter to the Central Government dated 20.5.2014 has, inter alia, withdrawn its application for re-registration and has declared to have ceased to be a 'copyright society' under Chapter VII and Section 33 of the Copyright Act, as amended. Having taken appropriate steps and documentation, the Company continues to grant licences, under Section 30 of the Copyright Act.

During its tenure as a registered copyright society, the Company did not receive any grant, subsidy, concession, finance or equity from the government.

The Company in its general meeting held in December 2017, had obtained members' approval to pursue its application, for re-registration as a Copyright Society under Section 33 of the Copyright Act for sound recordings, with the Central Government. The Company is pursuing the application, on an ongoing basis, however there has been no update on this currently.

Note 2

Summary of Significant Accounting Policies

2.1 Basis of Preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended), specified under section 133 and 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 operating cycle and other criteria set out in the Revised Schedule III (Division I) to the Companies Act, 2013. Based on the nature of services provided and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

2.2 Change in Accounting Policy

Effective 1st April, 2014 the Company has with retrospective effect, changed its policy of providing depreciation on fixed assets. The depreciation is now provided on Straight Line Method (SLM) based on useful life prescribed in the Schedule II of the Companies Act, 2013 as against Written Down Value (WDV) method followed earlier.

2.2 Tangible Assets

Tangible Assets are stated at cost of acquisition inclusive of all attributable cost of bringing the same to their working condition, net of accumulated depreciation and accumulated impairment losses, if any. Subsequent costs related to an item of tangible asset are recognised in the carrying amount of the item if the recognition criteria are met.

Items of tangible assets that have been retired from active use and are held for disposal are stated at the lower of their net book carrying amount and net realisable value and are shown separately in the financial statements. Any write-down in this regard is recognised immediately in the Statement of Profit and Loss.

Phonographic Performance Limited

Notes to Financial Statements as at and for the year ended March 31, 2019

An item of tangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising on derecognition is recognised in the Statement of Profit and Loss.

Depreciation is provided on a pro-rata basis on the straight-line method over the estimated useful lives of assets, based on life prescribed under Schedule II of the Companies Act, 2013, except for Leasehold Improvements are amortised over the period of lease. The depreciation charge for each period is recognised in the Statement of Profit and Loss, unless it is included in the carrying amount of any other asset. The useful life, residual value and the depreciation method are reviewed atleast at each financial year end. If the expectations differ from previous estimates, the changes are accounted for prospectively as a change in accounting estimate.

Assets	Useful Life
Building	60 years
Computers	3 years to 6 years
Office Equipments	5 years
Furniture and Fittings	10 years
Motor Car	8 years

2.3 Intangible Assets

Intangible Assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised based on Straight Line method. The amortization rates used are:

Assets	Rate
Computer Software	25%

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

2.4 Impairment of Assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is higher of the asset's net selling price or estimated future cash flows, which are discounted to their present value based on appropriate discount rates. If such recoverable amount of the asset or recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the Balance Sheet date, there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and asset is reflected at the recoverable amount.

2.5 Investments

Investments that are readily realisable and are intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually.

2.6 Foreign Currency Translation

Initial Recognition:

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of transaction.

Subsequent Recognition:

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rate that existed when the values were determined. All monetary assets and liabilities in foreign currency are restated at the end of accounting period.

Exchange differences on restatement of all other monetary items are recognised in the Statement of Profit and Loss.

2.7 Revenue Recognition

Licence Fees income from Broadcasting, Mobile and Digital is generally recognised on accrual basis (except where there are significant uncertainties) based on usage report submitted by licensees at rates and/or minimum guarantee rates as per agreements with those parties. License Fees income in Broadcasting includes All India Radio (AIR), Private Frequency Modular (FM) and Community Radio; in Mobile and Digital includes Ring Back Tone, Mobile Streaming, Audio Streaming and Webcasting.

Licence Fees income from Public Performance is generally recognised in the year of grant/issue of licences.

2.8 Other Income

Interest: Interest Income is recognised on a time proportionate basis taking into account the amount outstanding and the rate applicable.

2.9 Employee Benefits

Defined Contribution Plans

Provident Fund: Contribution towards provident fund for certain employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

Gratuity: The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972 and gratuity trust deed. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

Compensated Absences: Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

Termination Benefits: Termination benefits in the nature of voluntary retirement benefits are recognised in the Statement of Profit and Loss as and when incurred.

2.10 Current and Deferred Tax

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the Company reassesses unrecognised deferred tax assets, if any.

2.11 Provisions and Contingent Liabilities

Provisions: Provisions are recognised when there is a present obligation as a result of a past event, 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 at the Balance Sheet date and are not discounted to its present value.

Contingent Liabilities: 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. Where there is a possible obligation or a present obligation and the likelihood of outflow of resources is remote, no provision or disclosure is made.

2.12 Leases

As a Lessee:

Operating Lease: Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease.

2.13 Cash and Cash Equivalents

In the cash flow statement, cash and cash equivalents include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

2.14 Use of Estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles in India which requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reported amounts of income and expenses during the year. Examples of such estimates include future obligations under employee retirement benefit plans, income taxes, the useful lives of tangible assets.

Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Future results could differ from these estimates.

9 Tangible Assets

Block of Assets	Gross Block				Depreciation				Net Block	
	As at April 1, 2018	Additions	Disposal/ Transfer	As at March 31, 2019	As at April 1, 2018	For the Year	Disposal/ Transfer	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
Own Assets:										
Building	1,70,00,136	6,500	-	1,70,06,636	39,11,956	2,80,200	-	41,92,156	1,28,14,480	1,30,88,180
Leasehold Improvements	23,50,191	-	50,660	22,99,531	22,49,066	1,01,118	50,660	22,99,524	7	1,01,125
Computers	83,92,744	19,00,685	8,38,341	94,55,088	69,34,279	9,99,929	8,32,720	71,01,488	23,53,600	14,58,465
Office Equipment	59,21,995	7,11,788	6,87,706	59,46,077	41,14,708	7,52,517	6,52,055	42,15,170	17,30,907	18,07,287
Furniture and Fixtures	99,97,864	4,35,728	24,98,593	79,34,999	53,48,801	7,90,341	24,21,260	37,17,882	42,17,117	46,49,063
Motor Car	30,66,050	-	30,66,050	-	23,88,499	1,26,272	25,14,771	-	-	6,77,551
Total	4,67,28,980	30,54,701	71,41,350	4,26,42,331	2,49,47,309	30,50,378	64,71,466	2,15,26,220	2,11,16,111	2,17,81,671

Block of Assets	Gross Block				Depreciation				Net Block	
	As at April 1, 2017	Additions	Disposal/ Transfer	As at March 31, 2018	As at April 1, 2017	For the Year	Disposal/ Transfer	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
Own Assets:										
Building	1,70,00,136	-	-	1,70,00,136	36,31,805	2,80,151	-	39,11,956	1,30,88,180	1,33,68,331
Leasehold Improvements	40,78,805	-	17,28,614	23,50,191	37,93,139	1,84,541	17,28,614	22,49,066	1,01,125	2,85,666
Computers	1,06,67,957	9,11,503	31,86,716	83,92,744	87,17,574	11,77,434	29,60,729	69,34,279	14,58,465	19,50,383
Office Equipment	49,28,868	13,32,537	3,39,410	59,21,995	37,25,450	7,12,559	3,23,301	41,14,708	18,07,287	12,03,418
Furniture and Fixtures	62,28,082	38,47,400	77,618	99,97,864	48,21,190	5,86,492	58,881	53,48,801	46,49,063	14,06,892
Motor Car	74,80,138	-	44,14,088	30,66,050	41,12,800	8,39,821	25,64,122	23,88,499	6,77,551	33,67,338
Total	5,03,83,986	60,91,440	97,46,446	4,67,28,980	2,88,01,958	37,80,998	76,35,647	2,49,47,309	2,17,81,671	2,15,82,028

10 Intangible Assets

Rupees

Block of Assets	Gross Block				Depreciation				Net Block	
	As at April 1, 2018	Additions	Disposal/ Transfer	As at March 31, 2019	As at April 1, 2018	For the Year	Disposal/ Transfer	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
Own Assets (Acquired) Software	81,05,693	27,16,028	11,92,809	96,28,912	57,47,801	7,80,603	5,54,857	59,73,547	36,55,365	23,57,892
Total	81,05,693	27,16,028	11,92,809	96,28,912	57,47,801	7,80,603	5,54,857	59,73,547	36,55,365	23,57,892

Block of Assets	Gross Block				Depreciation				Net Block	
	As at April 1, 2017	Additions	Disposal/ Transfer	As at March 31, 2018	As at April 1, 2017	For the Year	Disposal/ Transfer	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
Own Assets (Acquired) Software	78,05,693	3,00,000	-	81,05,693	50,10,425	7,37,376	-	57,47,801	23,57,892	27,95,268
Total	78,05,693	3,00,000	-	81,05,693	50,10,425	7,37,376	-	57,47,801	23,57,892	27,95,268

Phonographic Performance Limited
Notes to Financial Statements as at and for the year ended March 31, 2019
Amount in Rupees, unless otherwise stated

	As at March 31, 2019	As at March 31, 2018
Note 3		
Reserves and Surplus		
General Reserve	40,31,990	40,31,990
Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year	8,92,33,555	8,70,81,870
Profit for the year	58,94,163	21,51,685
Balance as at the end of the year	9,51,27,718	8,92,33,555
Total	9,91,59,708	9,32,65,545
Note 4		
Other Long-Term Liabilities		
Security Deposits from Licensees	6,20,24,305	6,67,24,305
Advances Received from Licensees	2,11,96,966	2,14,96,966
Total	8,32,21,271	8,82,21,271
Note 5		
Long-Term Provisions		
Provision for Employee Benefits		
Provision for Gratuity (Refer Note 29)	-	15,93,831
Provision for Compensated Absences	62,25,092	48,21,589
Total	62,25,092	64,15,420
Note 6		
Trade Payables		
Total outstanding dues of Micro Enterprises and Small Enterprises (Refer Note 33)	3,08,534	1,351
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	42,61,32,445	30,50,58,047
Total	42,64,40,979	30,50,59,398
Note 7		
Other Current Liabilities		
Advances Received from Licensees	1,67,56,799	86,79,090
Statutory Dues including Provident Fund and Tax Deducted at Source	4,51,08,690	4,31,23,537
Payable to Employees	1,26,21,485	80,13,093
Others (Refer Note 28)	2,00,00,000	2,00,00,000
Total	9,44,86,974	7,98,15,720
Note 8		
Short-Term Provisions		
Provision for Employee Benefits		
Provision for Gratuity (Refer Note 29)	-	27,18,234
Provision for Compensated Absences	2,59,900	2,23,666
Total	2,59,900	29,41,900

Phonographic Performance Limited
Notes to Financial Statements as at and for the year ended March 31, 2019
Amount in Rupees, unless otherwise stated

	As at March 31, 2019	As at March 31, 2018
Note 11		
Non-current Investments		
Investment in equity instruments:		
1 (March 31, 2018 : Nil) equity share of 30,000 Euros fully paid-up in Soundsys Private Limited	23,39,436	-
Total	<u>23,39,436</u>	<u>-</u>
Note 12		
Deferred Tax Assets (Net)		
Deferred Tax Assets:		
Provision for Employee Benefits	18,04,125	26,03,206
Other Timing differences	5,15,739	9,82,945
Deferred Tax Liabilities:		
Depreciation	6,60,650	8,31,947
Deferred Tax Assets (Net)	<u>16,59,214</u>	<u>27,54,204</u>
Note: Deferred Tax assets and deferred tax liabilities have been offset as they relate to the same governing taxation laws		
Note 13		
Long-Term Loans and Advances		
[Unsecured, Considered Good (unless otherwise stated)]		
Advances Recoverable in Cash or in Kind or for Value to be Received	1,41,36,094	1,40,44,427
Security Deposits	12,93,367	21,26,107
Balance with Government Authorities	-	1,17,33,706
Advance Income Tax [Net of Provision Rs.29,371,242 (March 31, 2018: Rs.28,039,460)]	11,75,61,273	10,17,09,919
Total	<u>13,29,90,734</u>	<u>12,96,14,159</u>
Note 14		
Trade Receivables		
Unsecured, considered good:		
Outstanding for a period exceeding six months from the date they are due for payment	6,12,105	2,51,208
Others	2,88,17,719	7,15,23,356
Total	<u>2,94,29,824</u>	<u>7,17,74,564</u>
Note 15		
Cash and Bank Balances		
Cash and Cash Equivalents		
Bank balances		
In Current Accounts (Refer Note 19)	17,73,46,465	18,36,50,492
Demand Deposits (less than 3 months maturity) (Refer Note below)	23,92,23,650	10,08,22,356
Other bank balances		
Deposits with maturity more than 3 months but less than 12 months (Refer Note below)	5,68,62,228	5,03,89,509
Total	<u>47,34,32,343</u>	<u>33,48,62,357</u>

Note: Includes Fixed Deposit amounting to Rs. 394,101 (Prev. year Rs.297,202) pertaining to unclaimed licence fee payable to ex-members who are not traceable. Notice to members has been sent through National and Regional new papers in April, 2017 and April, 2018 for settlement or closure of license fee.
Also refer Note 28.

Phonographic Performance Limited
Notes to Financial Statements as at and for the year ended March 31, 2019
Amount in Rupees, unless otherwise stated

	<u>As at</u> <u>March 31, 2019</u>	<u>As at</u> <u>March 31, 2018</u>
Note 16		
Short-Term Loans and Advances		
[Unsecured, Considered Good (unless otherwise stated)]		
Advances Recoverable in Cash or in Kind or for Value to be Received	24,86,438	37,51,926
Prepaid Expenses	7,19,752	12,83,666
Security Deposits	17,68,000	11,24,012
Balance with Government Authorities	3,27,55,802	36,43,100
Gratuity	7,91,156	-
Minimum Alternative Tax Credit Entitlement	27,71,242	14,39,459
Total	<u>4,12,92,390</u>	<u>1,12,42,163</u>

Note 17		
Other Current Assets		
[Unsecured, Considered Good (unless otherwise stated)]		
Interest accrued on Deposits	31,38,507	13,32,244
Total	<u>31,38,507</u>	<u>13,32,244</u>

Note 18
Contingent Liabilities

(a) The service tax department had raised ten show cause-cum-demand notices amounting to Rs.347,995,047 (March 31, 2018: Rs.337,369,979) for the taxable value of services rendered under the category of "Club or Association" for the period June 16, 2005 to June 30, 2017. The Company had disputed the demands and had filed its written replies to the show cause-cum-demand notices and also attended personal hearings called for from time to time. Of which:

(i) The Commissioner of Service Tax, Mumbai-II vide Order in Original No. 21-23/ST-II/KKS/2010 dated November 30, 2010 confirmed service tax for the period June 16, 2005 to March 31, 2010 amounting to Rs.60,170,407 along with interest and imposed penalty of equivalent amount. However, the Company had challenged the Order by filing an appeal before the Customs Excise and Service Tax Appellate Tribunal, Mumbai ("CESTAT"). The Company had also applied for a waiver of pre-deposit of the amount of tax and penalties by filing a stay application. CESTAT, vide order no. S/170/12/CSTB/C-1 dated January 19, 2012, waived the requirement for pre-deposit of service tax, interest and various penalties and stayed recovery thereof during the pendency of the appeal. The appeal came up for final hearing on November 16, 2016 and subsequently CESTAT vide its Order no. A/86369-86371/17/STB dated March 16, 2017 allowed the Company's appeal. Subsequently, the Department has appealed against the said order before the Hon'ble Supreme Court and the same has been admitted in the month of November 2017. No provision has been made with regard to this demand as the Company is expecting a favourable order.

(ii) The Company received Order in Original No. 64-66/ST-II/RS/2014 dated August 28, 2014 passed by the Commissioner of Service Tax, Mumbai-II confirming demand of Rs.83,217,806 in the matter of Show cause-cum-demand notices for the period April 1, 2010 to March 31, 2013. The company has filed an appeal against this order on December 03, 2014 before the Customs Excise and Service Tax Appellate Tribunal and has also paid a pre-deposit of Rs.6,241,336 as per the provisions of the Act. The hearing has concluded on April 4, 2019 and a favourable Order has been received on July 11, 2019. No provision has been made with regard to this demand.

(iii) The Company also received Order in Original No. 08/ST-VI/RS/2014 dated December 31, 2014 passed by the Commissioner of Service Tax - VI, confirming demand of Rs.42,053,684 in the matter of Demand Notice for the period April 1, 2013 to March 31, 2014. The company has filed an appeal against this order on March 03, 2015 before the Customs Excise and Service Tax Appellate Tribunal and has also paid a pre-deposit of Rs.3,154,027 as per the provisions of the Act. The hearing has concluded on April 4, 2019 and a favourable Order has been received on July 11, 2019. No provision has been made with regard to this demand.

Phonographic Performance Limited
Notes to Financial Statements as at and for the year ended March 31, 2019

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(iv) The Company during F.Y.2015-16 received another show cause cum demand notice for F.Y.2014-15 for Rs.44,637,052 dated January 29, 2016 in relation to the matter referred in para 17(a) above i.e., for the taxable value of services under the category of 'Club or Association' service. The Company has filed its reply and personal hearing also has been granted. No provision has been made with regard to this demand as the Company is expecting a favourable order.

(v) The Company during F.Y.2017-18 received another show cause cum demand notice for F.Y.2015-16 and F.Y.2016-17 for Rs.87,757,327/- dated February 15, 2018 in relation to the matter referred in para 17(a) above i.e., for the taxable value of services under the category of 'Club or Association' service. The Company has filed its reply and personal hearing has been granted. No provision has been made with regard to this demand as the Company is expecting a favourable order.

(vi) The Company during F.Y.2018-19 received another show cause cum demand notice for the period April 1, 2017 to June 30, 2017 for Rs.10,625,068/- dated February 21, 2019 in relation to the matter referred in para 17(a) above i.e., for the taxable value of services under the category of 'Club or Association' service. The Company is yet to file its reply. No provision has been made with regard to this demand as the Company is expecting a favourable order.

(vii) Subsequent to audit conducted by Service Tax department for F.Y.2010-11 and 2011-12, the Company received three Show cause-cum demand notices of Rs.106,594 dated January 22, 2014, Rs.152,259 dated January 13, 2014 and Rs.125,288 dated February 02, 2014 respectively based on audit observations. The Company had disputed the demands amounting to Rs.384,141 and filed its written replies to the said notices and also attended personal hearings called for from time to time. The Commissioner of Service tax, Mumbai vide Order in Original Nos. 04, 05 and 06 all dated May 28, 2015 received by the Company on June 17, 2015, confirmed service tax amounting to Rs.106,594, Rs.152,259 and Rs.125,288 respectively and imposed interest and penalty on the said amounts as adjudicated in the Order. The Company has filed an appeal against these orders on August 14, 2015 before the Hon'ble Commissioner of Central Excise - Appeals and has also paid a pre-deposit of Rs.19,414 as per the provisions of the Act. The hearing has not yet commenced in this matter.

(viii) During the year 2016-17, the Company received another Show Cause Cum Demand Notice on September 30, 2016 for Rs.19,149,562 for the period 2011-12 to 2012-13. The Company has disputed the demand and filed its written reply to the Show Cause Cum Demand Notice. Personal hearing is awaited. The Company is of the view that these demands have been erroneously made by the department and is confident of a favourable outcome, based on legal opinion obtained; hence no provision has been made in books of account.

(b) During the year ended March 31, 2016, Payment of Bonus Act, 1965 ('the Act') has been amended vide the Payment of Bonus (Amendment) Act, 2015. The Act has been amended to take retrospective effect w.e.f. April 01, 2014 and accordingly revised bonus (including arrears related to the year ended March 31, 2015) is required to be paid to the eligible employees. Based on stay orders from various High Courts across the country, the amendment to the Payment of Bonus Act to the extent that it gives retrospective effect from April 1, 2014 in respect of statutory bonus has not been recognised as a charge to the statement of profit and loss account but has been treated as contingent liability of Rs.2,392,644.

(c)(i) During the year 2016-17, the company received Notice of Demand dated December 16, 2016 from the Deputy Commissioner of Income Tax for Rs.30,264,341 for non-disclosure of income of Rs.78,376,440 in the books of accounts for A.Y.2011-12 as compared with Form 26AS. The Company had filed an appeal against the said demand to CIT (Appeals) on January 16, 2017 and had paid 15% of the demand amounting to Rs. 4,539,650. The Commissioner of Income-tax (Appeals) vide its order dated February 26, 2018, allowed the appeal by reducing the addition made to income. The Income Tax department has filed an appeal against this order before the Tribunal. PPL has filed its Cross Objections and the appeal is listed for hearing on September 12, 2019.

(c)(ii) During the year 2018-19, the company received Intimation u/s 143 (1) of the Income Tax Act, 1961 wherein it was noticed that Employee Contribution to Provident Fund amounting to Rs.13,18,189 has been disallowed, being paid after the due date prescribed u/s 36(1)(va), but before the due date of filing the Return of Income. The Company believes that it has a very good case, as the same has been allowed in all earlier assessments and there are judgments favouring the Company and hence, the Company has preferred an appeal on April 18, 2019 before CIT (A) challenging this disallowance.

(d) The Company is in the process of evaluating the impact of the recent Supreme Court Judgment in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No C-1/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. The Company is in the process of making an assessment of the impact of the aforesaid matter and accordingly, no provision has been made in these Financial Statements.

Phonographic Performance Limited
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Note 19

As at March 31, 2016, balance in current account of State Bank of Mysore, Lokhandwala, A/c no - 00000054000110353 (hereinafter referred to as SBM) and CitiBank, Mumbai, A/c no - 0343912005 (hereinafter referred to as CitiBank) had been put to temporary debit freeze by the said banks on receipt of notice by Enforcement Directorate (ED) directly, without written intimation to M/s. Phonographic Performance Limited (hereinafter referred to as PPL).

However, subsequently, ED had raised a provisional attachment order (PAO) number 09/2016 (File No: ECIR/05/MBZO/2015/1329) dated June 2, 2016 for an amount of Rs. 130,400,000. As per the order, bank balance amounting to Rs. 130,400,000 with respect to current account balance in SBM and CitiBank amounting to Rs. 120,961,770 and Rs. 9,438,230 respectively, was provisionally attached under sub section (1) of Section 5 of Prevention of Money Laundering Act, 2002 for a period of 180 days from the date of the order. As per the order, the same shall not be removed, or parted with or otherwise dealt with the balance without prior permission from the deputy director. The matter was appealed before the Adjudicating Authority, Delhi.

Subsequently, during the year 2016-17, the Company had received a favorable order number 610/2016 dated November 25, 2016 from the Adjudicating Authority, Delhi stating that the provisional attachment order dated June 2, 2016 made under sub-section (1) of section 5, is not confirmed.

The ED had filed an appeal in Bombay High Court, however no stay had been granted against the Appellate Tribunal Order. The matter is sub-judice. On September 18, 2017, ED filed a criminal appeal no.987 of 2017 in Bombay High Court and filed an application for condoning delay of 28 days. Reply was filed by PPL against condonation. ED's application was accepted and their delay was condoned vide order dated November 21, 2017. No stay granted against the order of the Tribunal. The appeal got admitted and the Hon'ble Bombay High Court in its detailed Order dated April 2, 2019, issued clear directions for the release of the funds lying with the banks. ED vide letter dated May 17, 2019 directed the banks, SBI and Citibank to immediately release the funds to PPL and the banks have released the funds to PPL. PPL has filed a separate Writ in the Hon'ble Bombay High Court praying for quashing of the ED proceedings/enquiry and the same is pending for admission.

Since, the funds of the Company were attached vide PAO dated June 2, 2016, the Board decided to build an advance of Rs. 130,400,000 out of the royalties payable to seven members to help the Company meet its cashflow requirements. The ratio used for deriving each members share was based on television synchronization income starting January 2008 and ending December 2013. The Company had withheld an amount of Rs. 119,700,000 royalty from the seven members as of March 31st, 2019. Subsequent to the year end pursuant to the release of the attached funds by ED the Company has paid off the amount withheld from the seven members. Subsequent to the year end in May-2019, pursuant to the release of the attached funds by ED, the Company has paid off the amount withheld from the seven members.

In order to cohesively work towards a common goal, of copyright owners and protect against infringement of their copyrights, seven members (viz Saregama, Sony Music, Tips, Venus, Universal Music, Aditya Music and Times Music) have consented and the Board of the Company has resolved that an amount of Rs. 130,000,000 be set aside in the ratio of royalty received by these members on account of television synchronisation income for the period January 1, 2010 to December 31, 2013, from the royalties accrued to them from the company, and such amount so set aside be paid to IPRS Ltd.

During the current year, giving effect to the said resolution, the Company has withheld a sum of Rs. 130,000,000 from the royalty payable to the said seven members for the current year, and the entire amount has been paid to IPRS Ltd. by September 15, 2018.

	<u>Year Ended</u> <u>March 31, 2019</u>	<u>Year Ended</u> <u>March 31, 2018</u>
Note 20		
Revenue from Operations (Net)		
Licence Fees income of members:		
Broadcasting (Refer Note 25)	23,59,46,080	19,78,31,124
Public Performance	79,91,54,458	63,87,61,228
Mobile and Digital	29,61,326	2,28,30,490
	<u>1,03,80,61,864</u>	<u>85,94,22,842</u>
Less: Licence Fees distribution to members (Refer Note 26)	<u>74,89,42,816</u>	<u>58,76,69,740</u>
Total	<u>28,91,19,048</u>	<u>27,17,53,102</u>
Note 21		
Other Income		
Interest Income on		
Fixed Deposits with Banks	1,35,62,282	39,20,691
Income Tax Refund	69,74,460	36,32,042
Other	3,29,963	-
Liabilities no Longer Required Written Back	26,31,466	10,82,004
Sundry debtors written off, now recovered	-	17,85,894
Miscellaneous Income	2,499	1,500
Total	<u>2,35,00,670</u>	<u>1,04,22,131</u>

Phonographic Performance Limited
Notes to Financial Statements as at and for the year ended March 31, 2019
Amount in Rupees, unless otherwise stated

	<u>Year Ended</u> <u>March 31, 2019</u>	<u>Year Ended</u> <u>March 31, 2018</u>
Note 22		
Employee Benefits Expense		
Salaries, Allowances and Bonus	8,77,95,944	9,37,61,681
Contribution to Provident and Other Funds	41,69,506	48,67,510
Gratuity (Refer Note 29)	28,85,891	18,81,462
Staff Welfare Expenses	83,55,824	50,69,240
Total	<u>10,32,07,165</u>	<u>10,55,79,893</u>
Note 23		
Depreciation and Amortisation Expense		
Depreciation on Tangible Assets	30,50,378	37,80,998
Amortisation on Intangible Assets	7,80,603	7,37,376
Total	<u>38,30,981</u>	<u>45,18,374</u>
Note 24		
Other Expenses		
Electricity Charges	17,19,560	19,81,909
Repairs and Maintenance	1,13,63,441	98,99,727
Monitoring and Processing Expenses	11,66,869	12,06,161
Rent (Refer Note 32)	89,15,380	1,00,62,925
Rates and Taxes	48,49,215	37,22,115
Swatch Bharat Cess on Service Tax	-	14,26,033
Interest on Statutory Payments	11,58,436	21,08,191
Insurance	52,008	24,879
Business Promotion & Meetings	84,99,301	21,81,297
Advertisement, Publicity & Gazetting	7,49,609	32,93,938
Printing and Stationery	18,82,072	17,12,501
Recruitment Charges	6,46,884	19,86,566
Travelling, Conveyance and Car Expenses	1,93,00,103	2,43,17,698
Legal & Litigation Costs	5,74,35,563	4,49,37,207
Professional and Retainership Fees	4,71,02,241	2,39,65,503
Payment to Auditor		
As Auditor:		
Audit Fee	9,00,000	9,00,000
Certification Fee	2,50,000	-
Tax Audit Fee	3,00,000	3,00,000
Reimbursement of Expenses	29,000	20,000
Postage, Telegram and Telephone	51,56,956	67,81,735
Commission (Refer Note 34)	2,32,81,555	1,96,85,739
Directors Sitting Fees	2,20,000	2,50,000
Loss on Sale/Scrap of Fixed Assets (Net)	10,30,012	13,14,011
Miscellaneous Expenses	25,84,215	24,44,598
Total	<u>19,85,92,420</u>	<u>16,45,22,733</u>

Phonographic Performance Limited
Notes to Financial Statements as at and for the year ended March 31, 2019
Amount in Rupees, unless otherwise stated

Note 25

Broadcasting Income

- (a) The reporting system and the Licence Fees income from AIR continues to be erratic and the same has been accounted for on cash basis in view of significant uncertainty as to ascertainment of accruals. The reports from most of the AIR stations are received with significant delay and in parts. Accordingly, the Company has accounted usage reports received during the current year.
- (b) Licence Fees income for Private Frequency Modular (FM) have been accounted for based on intimation received from parties regarding hours of broadcast for each month at agreed rates and/or at rates pursuant to interim orders of High Courts at Kolkata and Bombay. Few broadcasters made an application before the Copyright Board (CRB) in the year 2001 and 2002 for granting to them Compulsory License. The copyright Board vide order dated November 19, 2002 passed order granting compulsory license. Broadcasters and PPL who were dissatisfied with the CRB order dated November 19, 2002, moved an appeal before the Bombay High Court setting aside the CRB's aforesaid order and remanded the matter to them for re-determination before the CRB. Broadcasters moved the Supreme Court against the order dated April 13, 2004.

In the interim there was no rate that was applicable and hence the Broadcasters paid and continued to pay license fee as per the CRB Order dated November 19, 2002. The Supreme Court on May 16, 2008, issued order directing CRB to hear compulsory licensing applications afresh on case to case basis.

Accordingly, CRB completed its proceedings in compulsory licensing applications received by it from certain FM radio broadcasters and as per the directions of the Supreme Court and issued an order dated August 25, 2010 fixing the license fee as 2% of the net advertising revenue of the respective broadcaster. The Company has appealed against this order in the Madras High Court contesting the rates. As per the Supreme Court directive, the Madras High Court is expected to dispose off the case expeditiously.

The hearing before the Madras High Court has commenced during the year ended March 31, 2017. Currently the appeal is in hearing stage. After the submissions of PPL are concluded, the broadcasters namely Entertainment Network India Limited, Music Broadcasting Limited, Rajasthan Patrika, DB Corp etc shall commence their submissions.

Note 26

Licence Fees distribution to members

Licence Fees distribution has been accounted for, to the extent of the corresponding Licence Fees income & Other income for the year after recouping all the related expenses.

	<u>Year Ended</u> <u>March 31, 2019</u>	<u>Year Ended</u> <u>March 31, 2018</u>
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Note 27

Expenditure in Foreign Currency

Travelling Expenses	47,678	-
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Note 28

During the previous year, Shri Puran Multi Media Ltd (SPMML - Broadcaster) and Music Broadcasting Limited (MBL) moved an application for merger. The same was opposed by Phonographic Performance Limited (PPL), as SPMML owned moneies to PPL and the merger would have hindered PPL's claim of Rs. 42,917,266 against SPMML. The court allowed the merger. An appeal was filed against the said merger in Bombay High Court.

PPL also filed an appeal in Allahabad High Court against sanctioning of the scheme of demerger of SPMML. In the said appeal, delay was condoned and stay was granted against the merger. MBL immediately approached the Supreme Court and pursuant to an order dated August 21, 2017 Supreme Court was pleased to direct MBL to deposit a sum of Rs.20,000,000 with PPL and the remaining amount of Rs. 22,917,266 to be deposited in Bombay High Court via Bank Guarantee. MBL had paid a sum of Rs. 20,000,000 to PPL, the same has been deposited in Fixed deposits with State Bank of India, Lokhandwala Branch, Mumbai and remaining amount of Rs.22,917,266 has been secured by way of a bank guarantee of a nationalized bank which has been furnished to the Bombay High Court by MBL. The same will be kept alive during the pendency of the suit.

Phonographic Performance Limited
Notes to Financial Statements as at and for the year ended March 31, 2019
Amount in Rupees, unless otherwise stated

Note 29

Employee Benefits Expense

(A) Defined Contribution Plans

Amount recognised in the Statement of Profit and Loss

Employers' Contribution to Provident Fund	41,69,506	48,67,510
(Includes Administrative Charges, EDLI charges and Employers' Contribution to Employee's Pension Scheme 1995)		

(B) Defined Benefit Plan

(a) Gratuity

The Gratuity scheme is funded through New Group Gratuity cash Accumulation Plan from the LIC. The adequacy of accumulated fund balance available with LIC has been compared with actuarial valuation carried out by an independent actuary as at the Balance Sheet date and shortfall/ excess, if any, has been provided for/ considered as prepaid. Every employee is entitled to a benefit in line with the Payment of Gratuity Act, 1972 and Gratuity Trust Deed of the Company. The same is payable at the time of separation from the Company or retirement, whichever is earlier. The benefits vest after five years of continuous service.

	Year Ended March 31, 2019	Year Ended March 31, 2018
(i) Present Value of Defined Benefit Obligation		
Balance at the beginning of the Year	70,72,477	2,36,21,582
Liability Transferred Out/ Divestments	-	(26,03,211)
Current Service Cost	19,03,002	37,26,013
Interest Cost	5,56,604	18,09,413
Actuarial Loss / (Gain)	6,36,125	(31,97,313)
Benefits Paid	<u>(13,77,834)</u>	<u>(1,62,84,007)</u>
Balance at the end of the Year	<u>87,90,374</u>	<u>70,72,477</u>
(ii) Fair Value of Plan Assets		
Balance at the beginning of the Year	27,60,412	99,94,866
Expected Return on Plan Assets	2,17,244	7,65,607
Actuarial (Loss) on Plan Assets	(7,404)	(3,08,956)
Contributions	79,89,113	23,65,877
Assets Transferred Out/ Divestments	-	(26,03,211)
Benefits Paid	<u>(13,77,834)</u>	<u>(74,53,771)</u>
Balance at the end of the Year	<u>95,81,531</u>	<u>27,60,412</u>
Actual return on Plan Assets	2,09,840	4,56,651
(iii) Assets and Liabilities recognised in the Balance Sheet	As at March 31, 2019	As at March 31, 2018
Present Value of Obligation	87,90,374	70,72,477
Less: Fair Value of Plan Assets	<u>(95,81,531)</u>	<u>(27,60,412)</u>
Amount recognised as liability	<u>(7,91,157)</u>	<u>43,12,065</u>
Recognised under:		
Long-Term Provisions (Refer Note 5)	-	15,93,831
Short-Term Provisions (Refer Note 8)	-	27,18,234
Total	<u>-</u>	<u>43,12,065</u>
(iv) Expenses recognised in the Statement of Profit and Loss	Year Ended March 31, 2019	Year Ended March 31, 2018
Current Service Cost	19,03,002	37,26,013
Interest Cost	3,39,360	18,09,413
Expected Return on Plan Assets	-	(7,65,607)
Actuarial Loss /(Gain)	<u>6,43,529</u>	<u>(28,88,357)</u>
Total Expense	<u>28,85,891</u>	<u>18,81,462</u>

Phonographic Performance Limited
Notes to Financial Statements as at and for the year ended March 31, 2019
Amount in Rupees, unless otherwise stated

(v) Major Category of Plan Assets as a % of total Plan Assets

Administered by Life Insurance Corporation of India

(vi) Actuarial Assumptions

Discount Rate	7.79%	7.87%
Expected Return on Plan Assets	7.79%	7.87%
Salary Growth Rate	7.00%	7.00%

(vii) Amounts recognised in current year and previous four Periods

	<u>Year Ended</u> <u>March 31, 2019</u>	<u>Year Ended</u> <u>March 31, 2018</u>	<u>Year Ended</u> <u>March 31, 2017</u>	<u>Year Ended</u> <u>March 31, 2016</u>	<u>Year Ended</u> <u>March 31, 2015</u>
Present value of Obligation	87,90,374	70,72,477	2,36,21,582	1,53,44,550	1,32,50,152
Fair value of plan assets	95,81,531	27,60,412	99,94,866	86,94,868	74,19,625
Deficit/ (Surplus)	(7,91,157)	43,12,065	1,36,26,716	66,49,682	58,30,527
Experience Adjustments :					
(Gain) / Loss on plan Obligation	5,48,836	(29,93,598)	8,89,440	(5,03,202)	5,33,406
Gain / (Loss) on plan assets	(7,404)	(3,08,956)	(1,67,740)	(71,381)	(60,203)

	<u>Year Ended</u> <u>March 31, 2019</u>	<u>Year Ended</u> <u>March 31, 2018</u>
(viii) Expected Contribution to the Gratuity Fund in the next year		
Gratuity	16,06,597	27,18,234

(b) Compensated Absences

Expense recognised in the Statement of Profit and Loss [(Refer Note 22) under Salaries, Allowances and Bonus]	19,14,429	22,84,511
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Note 30
Segment Reporting

In accordance with Accounting Standard - 17, "Segmental Reporting", the Company has determined its business segment as issuing or granting licence in respect of sound recording works and all other activities ancillary or incidental thereto and there are no other primary reportable segments. Accordingly, the segment revenue, segment results, total carrying amount of segment assets and segment liability, total cost incurred to acquire segment assets and total amount of charge for depreciation during the year, is as reflected in the Financial Statements as of and for the year ended March 31, 2019. The Company is considered to be operating in one geographical segment.

Phonographic Performance Limited
Notes to Financial Statements as at and for the year ended March 31, 2019
Amount in Rupees, unless otherwise stated

Note 31

Related Party Disclosures

(a) Name of related parties and nature of relationship:

Key Management Personnel: Mr. Vipul Pradhan, Chief Executive Officer (CEO) (upto September 30, 2017)
Mr. Suresh Srinivasan, Chief Operating Officer (COO) (upto January 15, 2018)
Mr. Rajat Kakar, Managing Director and CEO (w.e.f January 1, 2018)
Mrs. Janet Serrao Agarwal, Chief Financial Officer (upto August 31, 2018)
Mr. Ghanashyam Bhagwan Aayeer, Director (upto May 29, 2018)
Mr. Shridhar Subramanian, Director (upto March 1, 2018)
Mr. Ganesh Chaganlal Jain, Director (upto April 1, 2018)
Mr. Savan Lal Saha, Director (upto October 27, 2017)
Mr. Umesh Gupta, Director (upto November 24, 2017)
Mr. Devraj Saugata Sanyal, Director (upto January 24, 2018)
Mr. Vinit Harish Thakkar, Director (w.e.f January 24, 2018)
Mr. Sanujeet Bhujabal, Director (w.e.f April 16, 2018)
Mr. Ajit Kumar, Director (w.e.f May 29, 2018)
Mr. Kumar Sadharam Taurani, Director (upto August 28, 2018)
Mr. Mandar Ramesh Thakur, Director
Mr. Bhushan Dua, Director (w.e.f July 17, 2018)
Mr. Balwinder Singh, Director (w.e.f November 21, 2018)
Retd. Justice V B Gupta, Director (w.e.f December 26, 2018)

(b) The following transactions were carried out during the period with the related parties in the ordinary course of the business:

Nature of Transaction	Year Ended	Year Ended
	March 31, 2019	March 31, 2018
Salaries and Allowances		
Mr. Vipul Pradhan, CEO	-	1,48,90,551
Mr. Suresh Srinivasan, COO	-	1,38,05,548
Mr. Rajat Kakar, President and CEO	1,95,42,658	36,06,350
Director Fee		
Mr. Shridhar Subramaniam	-	40,000
Mr. Ganesh Chaganlal Jain	-	30,000
Mr. Kumar Sadharam Taurani	5,000	35,000
Mr. Devraj Saugata Sanyal	-	20,000
Mr. Ghanashyam Bhagwan Aayeer	10,000	35,000
Mr. Mandar Ramesh Thakur	30,000	40,000
Mr. Vinit Harish Thakkar	30,000	5,000
Mr. Umesh Gupta	-	25,000
Mr. Savan Lal Saha	-	20,000
Mr. Sanujeet Bhujabal	20,000	-
Mr. Ajit Kumar	15,000	-
Mr. Rajat Kakar	5,000	-
Mr. Balwinder Singh	5,000	-
Justice V B Gupta	1,00,000	-

Note 32

Leases:

As a Lessee:

Operating Lease

The Company has entered into cancellable leasing arrangements for premises. The Company's significant leasing arrangements are in respect of office premises/public performance facilitation counters taken on lease. The arrangements range between 11 months to 3 years and are generally renewable by mutual consent or mutually agreeable terms. Under these arrangements refundable interest-free deposits have been given.

Lease payments recognised in the Statement of Profit and Loss during the year	Year Ended	Year Ended
	March 31, 2019	March 31, 2018
	89,15,380	1,00,62,925

Phonographic Performance Limited
Notes to Financial Statements as at and for the year ended March 31, 2019
Amount in Rupees, unless otherwise stated

Note 33
Due to Micro and Small Enterprises

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follow:

	<u>As at Mar 31, 2019</u>	<u>As at Mar 31, 2018</u>
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	3,08,534	1,351
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-
Interest paid other than under Section 16 of MSMED Act to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-
Interest paid under Section 16 of MSMED Act to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-
Interest due and payable towards suppliers registered under MSMED Act for payments already made.	-	-
Further interest remaining due and payable for earlier years.	-	-

Note 34

Commission represents commission paid/payable to canvassing agents vide individual agreements towards services provided by them in relation to Public Performance Licence Revenue.

Note 35

Pursuant to the 2012 Amendment to the Copyright Act with effect from June 21, 2012, more specifically in Chapter VII and the newly inserted second proviso to Section 33 (3A) read with the new Copyright Rules 2013, seeking Copyright Societies to re-register, the Company, had within the one year period available to apply for re-registration, applied for the same on May 10, 2013. Since the Company did not get any response from the Central Government and in view of the legal implication arising therefrom, the Company, vide its letter to the Central Government dated May 20, 2014 has, inter alia, withdrawn its application for re-registration and has declared to have ceased to be a 'copyright society' under Chapter VII and Section 33 of the Copyright Act, as amended.

Till date, the Company is not in receipt of written communication or Order from the registering authority viz. Central Government on the application filed by the Company for de-registration as a Copyright Society under Copyright Society Act.

In terms of Section 18 (2) of the Copyright Act, where the assignee of a copyright becomes entitled to any right comprised in the copyright, the assignee with respect to the rights so assigned, shall be treated for the purposes of this Act as the owner of copyright and the provisions of this Copyright Act shall have effect accordingly. On the strength of the provisions of Section 18 (2), the Company, backed by a written legal opinion, believes that the ownership by assignment will be exempt from the provisions of Section 33 (1) and had completed procedures to obtain such assignment of the copyrights by the members to the Company and continues to engage in the business of issuing/granting licences.

As per the Board Meeting held on November 21, 2017, it was resolved that subject to the approval of the members of the company, the company do pursue its application for re-registration as a copyright society with the Central Government under Section 33 of the Copyright Society Act, for sound recording and, to this end, also review its existing Articles of Association under guidance from experts or advisers. Subsequently approval has been obtained from the members, however there are no further proceedings on the same.

Note 36

Pursuant to the resolution passed at the Extra Ordinary General Meeting held on June 17, 2016, the Company ceased to grant and issue new licences, or renewals and terminated existing licences for Mobile Telecom and Digital/ Internet/ Online sector with effect from April 1, 2017.

Note 37

Previous year figures have been reclassified to conform to this year's classification.

The Notes are an integral part of these Financial Statements.

As per our report of even date.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

-sd-

Asha Ramanathan
Partner
Membership No. 202660

Place: Mumbai
Date: July 26, 2019
UDIN: 19202660AAAABQ7115

**For and on behalf of the Board of Directors of
Phonographic Performance Limited**

-sd-

Mandar Thakur
Director
DIN. 05333792

Place: Mumbai
Date: July 26, 2019

-sd-

Rajat Kakar
Director
DIN. 01592740

Place: Mumbai
Date: July 26, 2019

ANNEXURE I

EXTRACT OF ANNUAL RETURN- FORM MGT-9

As on financial year ended on 31st March 2019

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

I. REGISTRATION AND OTHER DETAILS:

CIN	:	U74999MH1941GAP142271
Registration Date	:	24/04/1941
Name of the Company	:	Phonographic Performance Limited
Category / Sub-Category of the Company	:	Company Limited by Guarantee
Address of the Registered office and contact details	:	Crescent Towers, 7 th floor, B/68, Veera Estate, Off New Link Road, Andheri West, Mumbai 400 053
Whether listed company	:	No
Name, Address and Contact details of Registrar and Transfer Agent, if any:	:	-

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
The Company is empowered by its member music labels to issue and grant no-exclusive paper licenses in respect of their sound recordings for public performance, radio broadcasting, mobile telephony and internet. There is mutuality of interest between members and the Company.	74999	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

The Company does not have any Holding, Subsidiary and Associate Company.

(B)=(B)(1)+(B)(2)									
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total(A+B+C)	-	-	-	-	-	-	-	-	-

ii. Shareholding of Promoters:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
-	-	-	-	-	-	-	-	-

iii. Change In Promoters' Shareholding:

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
-	-	-	-	-	-

iv. **SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS):**

Sr. No.	For Each of the Top 10 Shareholders Name, Date & Reason of change	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
-	-	-	-	-	-

v. **SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
-	-	-	-	-	-

**Since the Company is limited by guarantee not having share capital, hence, not applicable.*

V. **INDEBTEDNESS:**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

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

Indebtedness at the end of the financial year				
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i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

Sr. No	Particulars of Remuneration	Mr. Rajat Kakar (Managing Director & CEO)	Total Amount
1	Gross salary	1,95,42,658	1,95,42,658
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		-
2	Stock Option		-
3	Sweat Equity		-
4	Commission		-
	- as % of profit		
	- others, specify		
5	Others, please specify		
	Total (A)	1,95,42,658	1,95,42,658
	Ceiling as per the Act		

B. REMUNERATION TO OTHER DIRECTORS:

Sl. No.	Particulars of Remuneration	Name of Directors	Total Amount (in Rs.)
	1. Board of Directors		
	• Directors' remuneration (annually)		
	• Sitting Fee for attending the Board meetings	Shri Mr. Sanujeet Bhujabal	20,000
		Shri Mr. Ajit Kumar	15,000
		Shri Kumar Sadhuram Taurani	5,000
		Shri Ghanashyam Bhagwan Aayeer	10,000
		Shri Umesh Gupta	-
		Shri Devraj Sugata Sanyal	-

		Shri Sovan Lal Saha	20,000
		Shri Mandar Ramesh Thakur	30,000
		Shri Vinit Harish Thakkar	30,000
		Shri Bhushan Kumar Dua	-
		Shri Balwinder Singh	5,000
		Shri Vidya Bhushan Gupta	1,00,000
	Total		
	Total Managerial Remuneration		
	Overall ceiling as per the Act	Not Applicable since the Company is "Not for Profit organization".	

***REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:**

Sr. No	Particulars of Remuneration	Key Managerial Personnel		Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	Total	-	-	-

*The Company is not covered under the provisions of Section 203 of the Companies Act 2013 hence, not applicable.

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD /NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty			NIL		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NIL		
Punishment					
Compounding					

BY THE ORDER OF THE BOARD

Sd/-

Sd/-

MANDAR THAKUR
DIRECTOR
DIN: 05333792

RAJAT KAKAR
DIRECTOR
DIN: 01592740

Date: 26th July, 2019
Place: Mumbai



PHONOGRAPHIC PERFORMANCE LTD.

Crescent Towers, 7th Floor, B/68, Veera Estate, Off New Link Road, Andheri (West), Mumbai 400 053
Tel. : 2673 6301 / 2 / 3 • Fax : 2673 6304
CIN - U 74999 MH 1941 GAP 142271

Declaration of results of voting by Members through remote e-voting and by physical ballots at 78th Annual General Meeting of Phonographic Performance Limited held on 26th August, 2019

In terms of Section 108 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, **Phonographic Performance Limited** ('the Company') provided facility to its Members for voting through remote e-voting and by physical ballots on the resolutions contained in the Notice dated 26th July, 2019 of 78th Annual General Meeting ('78th AGM').

The Board had appointed M/s Rathi & Associates, Company Secretaries as Scrutinizer to scrutinize the voting processes for the 78th AGM of the Company.

For the purpose of report, the Scrutinizer considered and took on record voting done by members through remote e-voting during the period from 09.00 a.m. of Friday, 23rd August, 2019 upto 5.00 p.m. of Sunday, 25th August, 2019, being the dates fixed for remote e-voting. Further, the Scrutinizer also considered and took on record voting by members by physical ballots at the 78th AGM held on 26th August, 2019.

Based on the Scrutinizer's Report dated 27th August, 2019 *I hereby declare that all the resolutions as set out in the Notice dated 26th July, 2019 of the 78th AGM of the Company, have been duly passed with requisite majority*, the details of which are specified herein below:

Sl. No.	Brief description	% Votes in Favour (Assent)	% Votes Against (Dissent)	Passed as
1.	For adoption of the Audited Balance Sheet as at 31st March, 2019, and Profit & Loss Account and Statement of Cash Flow for the financial year ended on that date along with the Schedules, Annexures and Notes thereto and the Reports of the Board of Directors and the Auditors thereon.	100	0.00	Ordinary
2.	For appointment of a Director in place of Mr. Sanujeet Bhujabal (DIN: 01915460), who retired by rotation and being eligible, had offered himself for re-appointment.	99.99	0.01	Special
3.	For appointment of a Director in place of Mr. Vinit Thakkar (DIN: 08050943), who retired by rotation and being eligible, had offered himself for re-appointment.	*100	0.00	Special
4.	For appointment of a Director in place of Mr. Kumar	99.99	0.01	Special



	Ajit (DIN: 08105941), who retired by rotation and being eligible, had offered himself for re-appointment.			
5.	For re-appointment of M/s. Price Waterhouse, Chartered Accountants, (Firm Registration No. 301112E) as Statutory Auditors of the Company to hold office for a term of 5 years, i.e. from the conclusion of the Seventy Eighth Annual General Meeting until the conclusion of the Eighty Third Annual General Meeting to be held in the year 2024.	100	0.00	Ordinary
6.	For regularization of appointment of Mr. Balwinder Singh (DIN: 02807439), as a Director of the Company, liable to retire by rotation.	*100	0.00	Special
7.	For regularization of appointment of Mr. V. B. Gupta (DIN: 08313443), as an Independent Director of the Company, for a period of two years with effect from 21st November, 2018.	99.99	0.01	Special
8.	For regularization of appointment of Mr. Rajat Kakar (DIN: 01592740), as a Director of the Company, who was appointed as an Additional Director by the Board of Directors at their Meeting held on Wednesday, November 21, 2018.	100	0.00	Special
9.	For appointment of Mr. Rajat Kakar (DIN: 01592740) as Managing Director and Chief Executive Officer of the Company with effect from 21st November, 2018, on the terms and conditions as mentioned in the agreement executed between the Board of Directors and the Managing Director.	100	0.00	Special
10.	For approval and adoption of new set of Articles of Association in substitution to the entire exclusion of the existing Articles of Association of the Company.	*100	0.00	Special
11.	For approval of the revised Public Performance Tariff Scheme.	100	0.00	Special
12.	For approval of Member's License Fees Distribution / Payment - Basis & Methodology i.e. Distribution Scheme for F.Y. 2019-20 and onwards.	100	0.00	Special

*Rounded off to nearest decimal.



The Scrutinizer's Report dated 27th August, 2019 is annexed herewith.



For **Phonographic Performance Limited**

A handwritten signature in black ink, appearing to read "Mandar Ramesh Thakur". The signature is written in a cursive style and is positioned above a horizontal line.

Mandar Ramesh Thakur
Chairman
DIN: 05333792

Date: 27th August, 2019
Place: Mumbai

Rathi & Associates

COMPANY SECRETARIES

A-303, Prathamesh, 3rd Floor, Raghuvanshi Mills Compound, 11-12, Senapati Bapat Marg, Lower Parel (W), Mumbai - 400 013.
Tel.: 4076 4444 / 2491 1222 • Fax : 4076 4466 • E-mail : associates.rathi8@gmail.com

27th August, 2019

To

The Chairman

Phonographic Performance Limited

Crescent Towers, 7th Floor, B/68, Veera Estate

Off New Link Road, Andheri West,

Mumbai – 400 053

Dear Sir,

Sub: **Scrutinizer's Report on the remote e-voting and physical voting through ballots at 78th Annual General Meeting of the members of Phonographic Performance Limited**

Phonographic Performance Limited ("the Company") at their Board of Directors meeting held on 26th July, 2019 appointed our Firm as Scrutinizer to ensure that the process of remote e-voting and physical voting through ballots as prescribed under Section 108 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 of the Companies Act, 2013 ("the Act") as amended from time to time, on the resolutions placed for the approval of Members of the Company as per the Notice dated 26th July, 2019 of 78th Annual General Meeting ("78th AGM") which was held on 26th August, 2019 be carried out in a fair and transparent manner.

The management of the Company is responsible to ensure the compliance with the requirements of the Companies Act, 2013 and rules made thereunder, relating to remote e-voting and physical ballot voting on the resolutions as contained in the aforesaid Notice of 78th Annual General Meeting of the members of the Company. My responsibility as a Scrutinizer is to scrutinize and ensure that the voting done through remote e-voting and physical ballot is done in a fair and transparent manner and to make a Consolidated Scrutinizer's Report of the votes cast "in favour" or "against" the resolutions, based on the reports generated from the remote e-voting system of Central Depository Services (India) Limited (CDSL), the agency engaged by the Company to provide remote e-voting facility. Further, the Company distributed physical ballots to the members present at the 78th Annual General Meeting to enable them to vote.

As required under Section 101 of the Act, a Notice along with Explanatory Statement under Section 102 of the Act, for the 78th Annual General Meeting was sent to the Members by permitted means for seeking approval of members on following resolutions:



1. **Resolution No. 1** as an Ordinary Resolution for adoption of the Audited Balance Sheet as at 31st March, 2019, and Profit & Loss Account and Statement of Cash Flow for the financial year ended on that date along with the Schedules, Annexures and Notes thereto and the Reports of the Board of Directors and the Auditors thereon.
2. **Resolution No. 2** as a Special Resolution for appointment of a Director in place of Mr. Sanujeet Bhujabal (DIN: 01915460), who retired by rotation and being eligible, had offered himself for re-appointment.
3. **Resolution No. 3** as a Special Resolution for appointment of a Director in place of Mr. Vinit Thakkar (DIN: 08050943), who retired by rotation and being eligible, had offered himself for re-appointment.
4. **Resolution No. 4** as a Special Resolution for appointment of a Director in place of Mr. Kumar Ajit (DIN: 08105941), who retired by rotation and being eligible, had offered himself for re-appointment.
5. **Resolution No. 5** as an Ordinary Resolution for re-appointment of M/s. Price Waterhouse, Chartered Accountants, (Firm Registration No. 301112E) as Statutory Auditors of the Company to hold office for a term of 5 years, i.e. from the conclusion of the Seventy Eighth Annual General Meeting until the conclusion of the Eighty Third Annual General Meeting to be held in the year 2024.
6. **Resolution No. 6** as a Special Resolution for regularization of appointment of Mr. Balwinder Singh (DIN: 02807439), as a Director of the Company, liable to retire by rotation."
7. **Resolution No. 7** as a Special Resolution for regularization of appointment of Mr. V. B. Gupta (DIN: 08313443), as an Independent Director of the Company, for a period of two years with effect from 21st November, 2018."
8. **Resolution No. 8** as a Special Resolution for regularization of appointment of Mr. Rajat Kakar (DIN: 01592740), as a Director of the Company, who was appointed as an Additional Director by the Board of Directors at their Meeting held on Wednesday, November 21, 2018."
9. **Resolution No. 9** as a Special Resolution for appointment of Mr. Rajat Kakar (DIN: 01592740) as Managing Director and Chief Executive Officer of the Company with effect from 21st November, 2018, on the terms and conditions as mentioned in the agreement executed between the Board of Directors and the Managing Director."



10. **Resolution No. 10** as a Special Resolution for approval and adoption of new set of Articles of Association in substitution to the entire exclusion of the existing Articles of Association of the Company."
11. **Resolution No. 11** as a Special Resolution for approval of the revised Public Performance Tariff Scheme.
12. **Resolution No. 12** as a Special Resolution for approval of Member's License Fees Distribution / Payment - Basis & Methodology i.e. Distribution Scheme for F.Y. 2019-20 and onwards.

The Company provided the remote e-voting facility offered by CDSL to the members of the Company to cast votes on aforesaid resolutions.

Remote e-voting facility was made available to members of the Company to exercise their voting rights from 9.00 a.m. of Friday, 23rd August, 2019 upto 5.00 p.m. of Sunday, 25th August, 2019. Accordingly, e-votes casted upto 5.00 p.m. of Sunday, 25th August, 2019 have been considered for my scrutiny.


After the conclusion of the 78th Annual General Meeting, first the voting conducted through physical ballots at the meeting was unlocked in the presence of two witnesses not in employment of the Company, namely Mr. Brijmohan Chauhan representing M/s C.C.C. Creations and Mr. Rajesh Dhuppad representing M/s Symphony Recording Co., Members of the Company. Thereafter the voting through remote e-voting was unlocked in the presence of two witnesses not in employment of the Company, namely Ms. Komal Binwani and Ms. Paridhi Jhunjhunwala. In case of members who voted through remote e-voting as well as by physical ballots at the 78th Annual General Meeting, the physical ballots of such members were treated as invalid. A summary of the votes casted by members through remote e-voting and by physical ballots at the 78th Annual General Meeting with their pattern of voting is as per Annexure annexed to this Report.

The results of the voting by members through remote e-voting and by physical ballots at the 78th Annual General Meeting in respect of the above mentioned resolutions may accordingly be declared by the Chairman of the Company.

Thanking you,

Yours sincerely,

For **RATHI & ASSOCIATES**
COMPANY SECRETARIES



JAYESH SHAH
PARTNER
MEM. NO. FCS 5637
COP NO. 2535

ANNEXURE

Resolution No. 1: as an Ordinary Resolution for adoption of the Audited Balance Sheet as at 31st March, 2019, and Profit & Loss Account and Statement of Cash Flow for the financial year ended on that date along with the Schedules, Annexures and Notes thereto and the Reports of the Board of Directors and the Auditors thereon.

Sr. No.	Particulars	Resolution 1	
		No. of Ballots / Remote E-Voting Confirmations	No. of Votes
a.	Votes casted through physical ballots	53	418,244
b.	Remote e-voting confirmations received	45	18,886,961
	Total	98	19,305,205
c.	Less: Invalid physical ballots/remote e-voting confirmation	1	2,696
d.	Net valid physical ballots/remote e-voting confirmations	97	19,302,509
	(i) Physical ballots/remote e-voting confirmations with assent for the Resolution	97	19,302,509
% of Assent			100
	(ii) Physical Ballots / Remote e-Voting confirmations with dissent for the Resolution	0	0
% of Dissent			0



Resolution No.2: as a Special Resolution for appointment of a Director in place of Mr. Sanujeet Bhujabal (DIN: 01915460), who retired by rotation and being eligible, had offered himself for re-appointment.

Sr. No.	Particulars	Resolution 2	
		No. of Ballots / Remote E-Voting Confirmations	No. of Votes
a.	Votes casted through physical ballots	53	418,244
b.	Remote e-voting confirmations received	45	18,886,961
	Total	98	19,305,205
c.	Less: Invalid physical ballots/remote e-voting confirmation	1	2,696
d.	Net valid physical ballots/remote e-voting confirmations	97	19,302,509
	(i) Physical ballots/remote e-voting confirmations with assent for the Resolution	96	19,300,879
% of Assent			99.99
	(ii) Physical Ballots / Remote e-Voting confirmations with dissent for the Resolution	1	1,630
% of Dissent			0.01



Resolution No. 3: as a Special Resolution for appointment of a Director in place of Mr. Vinit Thakkar (DIN: 08050943), who retired by rotation and being eligible, had offered himself for re-appointment.

Sr. No.	Particulars	Resolution 3	
		No. of Ballots / Remote E-Voting Confirmations	No. of Votes
a.	Votes casted through physical ballots	52	410,301
b.	Remote e-voting confirmations received	45	18,886,961
	Total	97	19,297,262
c.	Less: Invalid physical ballots/remote e-voting confirmation	1	2,696
d.	Net valid physical ballots/remote e-voting confirmations	96	19,294,566
	(i) Physical ballots/remote e-voting confirmations with assent for the Resolution	95	19,294,486
% of Assent			*100
	(ii) Physical Ballots / Remote e-Voting confirmations with dissent for the Resolution	1	80
% of Dissent			0

*Rounded off to nearest decimal



Resolution No. 4: as a Special Resolution for appointment of a Director in place of Mr. Kumar Ajit (DIN: 08105941), who retired by rotation and being eligible, had offered himself for re-appointment.

Sr. No.	Particulars	Resolution 4	
		No. of Ballots / Remote E-Voting Confirmations	No. of Votes
a.	Votes casted through physical ballots	53	418,244
b.	Remote e-voting confirmations received	45	18,886,961
	Total	98	19,305,205
c.	Less: Invalid physical ballots/remote e-voting confirmation	1	2,696
d.	Net valid physical ballots/remote e-voting confirmations	97	19,302,509
	(i) Physical ballots/remote e-voting confirmations with assent for the Resolution	95	19,301,457
% of Assent			99.99
	(ii) Physical Ballots / Remote e-Voting confirmations with dissent for the Resolution	2	1,052
% of Dissent			0.01



Resolution No. 5: as an Ordinary Resolution for re-appointment of M/s. Price Waterhouse, Chartered Accountants, (Firm Registration No. 301112E) as Statutory Auditors of the Company to hold office for a term of 5 years, i.e. from the conclusion of the Seventy Eighth Annual General Meeting until the conclusion of the Eighty Third Annual General Meeting to be held in the year 2024.

Sr. No.	Particulars	Resolution 5	
		No. of Ballots / Remote E-Voting Confirmations	No. of Votes
a.	Votes casted through physical ballots	53	418,244
b.	Remote e-voting confirmations received	44	18,886,519
	Total	97	19,304,763
c.	Less: Invalid physical ballots/remote e-voting confirmation	1	2,696
d.	Net valid physical ballots/remote e-voting confirmations	96	19,302,067
	(i) Physical ballots/remote e-voting confirmations with assent for the Resolution	96	19,302,067
% of Assent			100
	(ii) Physical Ballots / Remote e-Voting confirmations with dissent for the Resolution	0	0
% of Dissent			0



Resolution No. 6: as a Special Resolution for regularization of appointment of Mr. Balwinder Singh (DIN: 02807439), as a Director of the Company, liable to retire by rotation."

Sr. No.	Particulars	Resolution 6	
		No. of Ballots / Remote E-Voting Confirmations	No. of Votes
a.	Votes casted through physical ballots	53	418,244
b.	Remote e-voting confirmations received	45	18,886,961
	Total	98	19,305,205
c.	Less: Invalid physical ballots/remote e-voting confirmation	1	2,696
d.	Net valid physical ballots/remote e-voting confirmations	97	19,302,509
	(i) Physical ballots/remote e-voting confirmations with assent for the Resolution	96	19,302,429
% of Assent			*100
	(ii) Physical Ballots / Remote e-Voting confirmations with dissent for the Resolution	1	80
% of Dissent			0.00

*Rounded off to nearest decimal



Resolution No. 7: as a Special Resolution for regularization of appointment of Mr. V. B. Gupta (DIN: 08313443), as an Independent Director of the Company, for a period of two years with effect from 21st November, 2018.”

Sr. No.	Particulars	Resolution 7	
		No. of Ballots / Remote E-Voting Confirmations	No. of Votes
a.	Votes casted through physical ballots	53	418,244
b.	Remote e-voting confirmations received	45	18,886,961
	Total	98	19,305,205
c.	Less: Invalid physical ballots/remote e-voting confirmation	1	2,696
d.	Net valid physical ballots/remote e-voting confirmations	97	19,302,509
	(i) Physical ballots/remote e-voting confirmations with assent for the Resolution	96	19,300,879
% of Assent			99.99
	(ii) Physical Ballots / Remote e-Voting confirmations with dissent for the Resolution	1	1,630
% of Dissent			0.01



Resolution No. 8: as a Special Resolution for regularization of appointment of Mr. Rajat Kakar (DIN: 01592740), as a Director of the Company, who was appointed as an Additional Director by the Board of Directors at their Meeting held on Wednesday, November 21, 2018."

Sr. No.	Particulars	Resolution 8	
		No. of Ballots / Remote E-Voting Confirmations	No. of Votes
a.	Votes casted through physical ballots	53	418,244
b.	Remote e-voting confirmations received	45	18,886,961
	Total	98	19,305,205
c.	Less: Invalid physical ballots/remote e-voting confirmation	1	2,696
d.	Net valid physical ballots/remote e-voting confirmations	97	19,302,509
	(i) Physical ballots/remote e-voting confirmations with assent for the Resolution	97	19,302,509
% of Assent			100
	(ii) Physical Ballots / Remote e-Voting confirmations with dissent for the Resolution	0	0
% of Dissent			0



Resolution No. 9: as a Special Resolution for appointment of Mr. Rajat Kakar (DIN: 01592740) as Managing Director and Chief Executive Officer of the Company with effect from 21st November, 2018, on the terms and conditions as mentioned in the agreement executed between the Board of Directors and the Managing Director."

Sr. No.	Particulars	Resolution 9	
		No. of Ballots / Remote E-Voting Confirmations	No. of Votes
a.	Votes casted through physical ballots	53	418,244
b.	Remote e-voting confirmations received	44	18,886,881
	Total	97	19,305,125
c.	Less: Invalid physical ballots/remote e-voting confirmation	1	2,696
d.	Net valid physical ballots/remote e-voting confirmations	96	19,302,429
	(i) Physical ballots/remote e-voting confirmations with assent for the Resolution	96	19,302,429
% of Assent			100
	(ii) Physical Ballots / Remote e-Voting confirmations with dissent for the Resolution	0	0
% of Dissent			0



Resolution No. 10: as a Special Resolution for approval and adoption of new set of Articles of Association in substitution to the entire exclusion of the existing Articles of Association of the Company."

Sr. No.	Particulars	Resolution 10	
		No. of Ballots / Remote E-Voting Confirmations	No. of Votes
a.	Votes casted through physical ballots	53	418,244
b.	Remote e-voting confirmations received	44	18,886,519
	Total	97	19,304,763
c.	Less: Invalid physical ballots/remote e-voting confirmation	1	2,696
d.	Net valid physical ballots/remote e-voting confirmations	96	19,302,067
	(i) Physical ballots/remote e-voting confirmations with assent for the Resolution	95	19,301,987
% of Assent			*100
	(ii) Physical Ballots / Remote e-Voting confirmations with dissent for the Resolution	1	80
% of Dissent			0

*Rounded off to nearest decimal



Resolution No. 11: as a Special Resolution for approval of the revised Public Performance Tariff Scheme.

Sr. No.	Particulars	Resolution 11	
		No. of Ballots / Remote E-Voting Confirmations	No. of Votes
a.	Votes casted through physical ballots	53	418,244
b.	Remote e-voting confirmations received	45	18,886,961
	Total	98	19,305,205
c.	Less: Invalid physical ballots/remote e-voting confirmation	1	2,696
d.	Net valid physical ballots/remote e-voting confirmations	97	19,302,509
	(i) Physical ballots/remote e-voting confirmations with assent for the Resolution	97	19,302,509
% of Assent			100
	(ii) Physical Ballots / Remote e-Voting confirmations with dissent for the Resolution	0	0
% of Dissent			0



Resolution No. 12: as a Special Resolution for approval of Member's License Fees Distribution / Payment - Basis & Methodology i.e. Distribution Scheme for F.Y. 2019-20 and onwards.

Sr. No.	Particulars	Resolution 12	
		No. of Ballots / Remote E-Voting Confirmations	No. of Votes
a.	Votes casted through physical ballots	52	414,246
b.	Remote e-voting confirmations received	45	18,886,961
	Total	97	19,301,207
c.	Less: Invalid physical ballots/remote e-voting confirmation	1	2696
d.	Net valid physical ballots/remote e-voting confirmations	96	19,298,511
	(i) Physical ballots/remote e-voting confirmations with assent for the Resolution	96	19,298,511
% of Assent			100
	(ii) Physical Ballots / Remote e-Voting confirmations with dissent for the Resolution	0	0
% of Dissent			0

