

NOTICE

Notice is hereby given that the **77th Annual General Meeting** of members of **PHONOGRAPHIC PERFORMANCE LIMITED** will be held on **Wednesday, 26th September 2018 at 10.00 A.M.** at The Club Mumbai, 197 D.N Nagar, Andheri (West), Mumbai 400 053 to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the audited Balance Sheet as at 31st March, 2018 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 appoint a Director in place of Mr.Mandar Ramesh Thakur (DIN: 5333792), who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

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

“**RESOLVED THAT** Mr.Vinit Harish Thakkar (DIN: 08050943) nominated by Universal Music India Private Limited, be and is hereby appointed as a Director, who shall be liable to retire by rotation.
4. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** Mr.Sanujeet Bhujabal (DIN: 01915460) nominated by Sony Music Entertainment India Private Limited, be and is hereby appointed as a Director, who shall be liable to retire by rotation.
5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** Mr.Ajit Kumar (DIN: 08105941) nominated by Saregama India Limited, be and is hereby appointed as a Director, who shall be liable to retire by rotation.

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

“RESOLVED THAT Mr.Bhushan Kumar Dua (DIN: 00126614) nominated by Super Cassettes Industries Private Limited, 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 a **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.”

8. To consider and if thought fit, to approve:

Members’ License fee Payment Mechanism – Basis & Methodology (annexed)

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

“RESOLVED THAT the Members License fees Payment Mechanism – Basis & Methodology, as annexed to the Notice, be and is hereby approved.”

For and on behalf of the Board

Place: Mumbai
Dated: 28th August, 2018

Sd/-
MANDAR THAKUR
Director
DIN: 05333792

Registered Office:
Crescent Towers, 7th Floor,
B/68, Veera Estate, Off New Link Road,
Andheri (West), Mumbai - 400053

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 not exceeding fifty (50). 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 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 representatives 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, Legal Heirs 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 get-together breakfast, starting from 9:30 am in the morning, at the same 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 **commences on Sunday, 23rd September, 2018 at 9:00 a.m and ends on Tuesday, 25th September, 2018 at 5:00 p.m.** During these period members of the Company as on the cut-off date i.e. **Wednesday, 19th September, 2018** 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:

Pursuant to Section 108 of the Companies Act, 2014 read with the Companies (Management and Administration) Amendment Rules, 2015, the Company is providing facility of e-voting to all members. The e-voting facility is being provided through e-voting services provided by Central Depository Services (India) Limited (CDSL). The instructions for members for voting electronically are given in below paragraphs.

The instructions for members voting electronically are as under:

- i. The voting period **commences on Sunday, 23rd September, 2018 at 9:00 a.m and ends on Tuesday, 25th September, 2018 at 5:00 p.m.** During these period members of the Company as on the cut-off date i.e. **Wednesday, 19th September, 2018** only shall be entitled to cast their vote electronically. The e-voting module shall be disabled for voting thereafter.
- ii. The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.

- iii.** The Members should log on to the e-voting website www.evotingindia.com.
- iv.** Click on Shareholders.
- v.** Now Enter your User ID provided to you along with the notice for this Annual General Meeting.
- vi.** Next enter the Image Verification as displayed and Click on Login.
- vii.** Enter your password to be used provided to you along with the notice for this Annual General Meeting.
- viii.** After entering these details appropriately, click on "SUBMIT" tab.
- ix.** Click on the EVSN of Phonographic Performance Limited on which you choose to vote.
- x.** 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.
- xi.** Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xii.** 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.
- xiii.** Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xiv.** You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xv.** 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.
- xvi.** 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 77th 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. 3:

Mr.Vinit Harish Thakkar (DIN: 08050943)nominated by Universal Music India Private Limited was appointed as a Nominee Director by the Board of Directors of the Company with effect from 24th January, 2018, who holds office of Director upto the date of this Annual General Meeting and is eligible for appointment as a Director. Hence the Board recommends the Resolution at Item No. 3 of this Notice for your approval.

Except Mr.Vinit Harish Thakkar and his relatives, none of the Directors or their relatives are concerned or interested in the proposed Ordinary Resolution as set out in Item no. 3 of this Notice.

Item No. 4:

Mr.Sanjujeet Bhujabal (DIN: 01915460) nominated by Sony Music Entertainment India Private Limited was appointed as a Nominee Director by the Board of Directors of the Company with effect from 16th April, 2018, who holds office of Director upto the date of this Annual General Meeting and is eligible for appointment as a Director. Hence the Board recommends the Resolution at Item No. 4 of this Notice for your approval.

Except Mr.Sanjujeet Bhujabal and his relatives, none of the Directors or their relatives are concerned or interested in the proposed Ordinary Resolution as set out in Item no. 4 of this Notice.

Item No. 5:

Mr.Ajit Kumar (DIN: 08105941) nominated by Saregama India Limited was appointed as a Nominee Director by the Board of Directors of the Company with effect from 29th May, 2018, who holds office of Director upto the date of this Annual General Meeting and is eligible for appointment as a Director. Hence the Board recommends the Resolution at Item No.5 of this Notice for your approval.

Except Mr.Ajit Kumar and his relatives, none of the Directors or their relatives are concerned or interested in the proposed Ordinary Resolution as set out in Item no. 5 of this Notice.

Item No. 6:

Mr.Bhushan Kumar Dua(DIN: 00126614) nominated by Super Cassettes Industries Private Limited was appointed as a Nominee Director by the Board of Directors of the Company with effect from 17thJuly, 2018, who holds office of Director upto the date of this Annual General Meeting and is eligible for appointment as a Director. Hence the Board recommends the Resolution at Item No. 6 of this Notice for your approval.

Except Mr.Bhushan Kumar Dua and his relatives, none of the Directors or their relatives are concerned or interested in the proposed Ordinary Resolution as set out in Item no. 6 of this Notice.

Item No.7:

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 76th Annual General Meeting of the Company held on 26th 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.

Item No.8:

As the Members are aware, the Company has always followed the practice of getting the “Members’ License Fees Payment Mechanism – Basis & Methodology” approved by the members. The same has been enclosed herewith along with the Notice. Members are requested to approve the same and pass the proposed resolution as Ordinary 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 this Ordinary Resolution for approval of the Members.

None of the Directors, including their respective relatives shall be deemed to be interested in the above resolution.

For and on behalf of the Board

Place: Mumbai
Dated: 28th August, 2018

Sd/-
MANDAR THAKUR
Director
DIN: 05333792

DETAILS OF VENUE OF THE ANNUAL GENERAL MEETING

Address -The Club Mumbai, 197 D.N Nagar, Andheri (West),Mumbai 400 053

ROUTE MAP:





PHONOGRAPHIC
PERFORMANCE LTD. ***Phonographic Performance Ltd.***

Regd. & 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
IndusInd Bank, Lokhandwala branch, Mumbai

Auditors:

Price Waterhouse, Mumbai *Chartered Accountants*

Advocates & Solicitors:

Bilawala & Co., Mumbai

Board of Directors:

Mandar Thakur (Chairman) *Times Music*
Kumar Ajit *Saregama*
Vinit Thakkar *Universal Music*
Sanujeet Bhujabal *Sony Music*
Bhushan Kumar Dua *Super Cassettes Industries*

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 2018**

This Report provides full and detailed account of the Company's activities during the year ended 31st March 2018, including significant developments and new initiatives.

1. FINANCIAL RESULTS:

(Amount in Rs.)

Particulars	For the year ended 31-03-2018	For the year ended 31-03-2017
Profit for the year before tax	75,54,233	1,08,74,040
Less: Current Tax	-	90,00,000
Minimum Alternate Tax (MAT)	14,39,549	-
Minimum Alternate Tax Credit Receivable	(14,39,549)	-
Deferred Tax	54,02,548	(41,80,570)
Earlier Years	-	(2,01,519)
Profit after Tax	21,51,685	62,56,129
Add: Balance brought forward from last year	8,70,81,870	8,08,25,741
Surplus in Statement of Profit and Loss	8,92,33,555	8,70,81,870

2. LICENCE FEE REVENUE; COSTS:

The Company is engaged in and focused on licensing the Radio Broadcasting and Public Performance Rights of the members' sound recordings to users/licensees; licenses 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. As members are aware, it is the policy which has been practiced for long-time, that 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. 85.94 Crores (previous year Rs 140.06 crores). The reduction in revenue is primarily due to the Company ceasing to grant and issue licenses for Mobile Telecom and Digital/Internet/Online sector w.e.f. 1st April, 2017. Further, this is also a reflection of the market scenario and also of the scope and extent of the copyright assignments from its member labels. Further, the income is dependent on the quantum, popularity and success of the repertoire released by the members. Other Income, which also includes interest earned, was Rs. 1.04 crores (Previous Year Rs. 2.27 crores). Out of this, Rs. 0.29 crores being un-allocated surplus have been utilized/apportioned for the benefit of members to support/reduce cost recoupsments out of licence fee payments to members.

Radio Broadcasting

The Company ended the financial year at Rs 19.78 Cr. This is a growth of 8% compared to previous year revenues. Major players contributing to this are ENIL(Mirchi), Sun (Red FM), Next Radio (Radio One), Reliance (Big FM), and MBL (RadioCity). Two major settlements were done -Malayala Manorama and Pudhari Publications.

As of now, around more than 350 private FM radio stations are operational & out of which 300 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 seeking compulsory licensing, which are yet to be heard by the Copyright Board. The Finance Act, 2017 has merged the Copyright Board with the Intellectual Property Appellate Board (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 take note of the same.

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

We have deployed additional resources for rejuvenating the Radio business and with the new team in place, this year is likely to show further improvement in our radio business. We look forward to increased engagement, dialogue and compliance resulting into higher revenue from the radio industry for our members.

Public Performance

FY 17-18 showed a 7.5% overall growth, to INR 54.63 Cr as compared to FY 16-17.. Majority of the revenue came in from events, IPL being one 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 State Transport Corporation for more than 500 buses. App based Taxi services were licensed for Music services.

The beginning of the financial year, saw some challenges on the revenue side. The Company underwent a major structural re-organisation. The number of employees were substantially reduced with a focus on retaining and hiring high calibre A new leadership team came into the Company in the last few months of the financial year and has since been taking major steps towards improving the functioning of the Company

The Company managed to increase the average revenue per Licensing team member by 25% as compared to last year. There were few offices that were shut during this course correction and some important locations were opened up.

Mobile & Digital

The Company has ceased to grant and issue licenses for Mobile telecom and Digital/Internet/Online sector with effect from 1st April 2017. Mobile & Digital revenue of Rs.2.28 crores (previous year Rs. 69.10 crores) represents residual income receivable and received for previous year.

Aircel as agreed vide an agreement signed to this effect, paid the outstanding dues upto 31.03.2017 in a phased manner in instalments ending by October 31st, 2017. All monies received for Mobile telecom and Digital/Internet/Online licensing upto Mar-17 have been fully distributed to members.

Overall Expenses were within the Budget. In spite of legal and overhead costs exceeding budgets, there was a saving in payroll cost due to reduction in head count. Litigation costs were productive and beneficial; a good amount of licence fees have been collected from under-litigation broadcasters. Litigation costs includes Zee TV suit, Enforcement Directorate

and EoW matters etc. Accordingly, the Board has unanimously approved the cost incurred, as it is due to market conditions and for the benefit of members.

3. BUSINESS OUTLOOK

Revenue from radio broadcasting is expected to grow by around 8-9 % in 2018-19 on the back of consolidation in the Radio Industry and exploitation of Phase 3 licences picking up pace during the year.

Public performance licensing business, is a focus area for your Company, and is expected to deliver around 25-30% growth in 2018-19. The Company has undertaken a complete overhaul of key management and licensing personnel. A unique online licensing system to introduce transparency and speed in issuing of licenses is also in testing phase and is expected to deliver a positive result in improving the image of the Company as well as positively impact revenues. Discussions are underway with large user groups for increasing coverage and compliance.

An audit of systems and processes for Licensing, Distribution and Payroll & Human Resources along with setting up Standard Operating Procedures for all operational aspects of the business are underway and the recommendations are being put in place with utmost speed and conviction.

Training in best practices has been given to top management employees including participation in Global forums and local Industry platforms. Attracting high calibre talent is recognised as a key driver of growth of business and the Company is putting efforts towards achieving the same. A Code of Conduct for all employees of the Company has been introduced and is available on the website of the Company.

Efforts are continuously being undertaken to expand membership. The Company is also participating in an Asian Database project to ensure improved accuracy in revenue distribution to members as well as ensuring recovery of overseas royalty collection for participating members by entering into reciprocal arrangements with Collection Organisations in key markets.

We expect 2018-19 to be a watershed year in the lifecycle of the Company and expect the measures put in towards professionalising the Organisation along with heightened transparency in conduct of business will pay rich dividends in the years to come.

4. INFRINGEMENT, ENFORCEMENT AND ANTI-PIRACY

Non-physical or digital piracy has taken many and varied forms: 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.

5. COMPLIANCE WITH VARIOUS STATUTES

The Company maintains proper accounts of license fees collected, payments made out to members and other recurring and on-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. Accounts are audited annually by Price Waterhouse. Queries and memoranda from government departments, enquiry bodies, and enforcement agency, have been promptly attended to, after obtaining legal advice, as may be required; 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.

6. MEMBERS, LICENCE FEE DISTRIBUTION; T.D.S.

The number of members is 274, as of date. Think Music (SPI Music), market leader in South has joined PPL last year. British high commission event Createch Summit, was an opportunity created for our members to network and learn. We have successfully renewed all member assignments in March 2018. Super Cassettes Industries (T-Series) has also renewed its association with the Company. Tips Music has resigned effective 1st Apr 18 for public performance and continues to work with us on AIR and community radios.

All payments received till March 2017, for digital licenses have been distributed. There are no pending digital payments to members.

Pursuant to clause 13(b) 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 2017. 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 Board takes note and the members are also well aware that there is a close ‘mutuality of interest’ between the members and the Company.

The Company has initiated the process of KYC for all its members so as to keep its database current and updated.

In accordance with the Distribution Policy, the TDS suffered (i.e. TDS cut by licencees while making licence fee payments to the Company) in respect of “public performance” licence income during the FY 2017-18 of Rs. 2,64,57,578/- is not part of the payout amount in public performance stream; this amount will be paid to the concerned members upon receiving the refund from the IT Department. The TDS suffered (i.e. TDS cut by licencees while making licence fee payments to the Company) in respect of “public performance” licence income during the previous FY 2015-16 of Rs. 2,44,39,639/- in public performance licences that was not part of the distributed amount in public performance stream has been distributed to concerned members’ during the year 2017-18 upon receipt of refund from the IT Department.

7. INVESTMENTS, TAXES & CASH-FLOW

Every year, being essentially a not-for-profit association, your Company is applying for and obtaining concessional TDS certificate. Cumulative amount of income tax and service tax awaiting refund and set-off is approx. Rs. 11.70 Crores. The delay is by the IT department; All paperwork has already been filed by your Company on timely basis. Income-tax assessment has been completed upto AY 2015-16.

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.

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 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.

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,

Subsequent to the year end, 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, out of which Rs.120,000,000 has been paid off to IPRS Ltd as of date and the final tranche of payment would be completed by September 15, 2018.

The Company is in the process of investing 30,000 Euros (INR equivalent ~ 25 lakhs) towards subscription of one ordinary share in Soundsys Private Limited, a Company being incorporated in Singapore. The Company shall be used to develop, operate and maintain repertoire database, matching and distribution system in accordance with separately agreed relevant documentation along with BMAT globally known for its database and IFPI South East Asia Limited. This investment is being made in accordance with the prevailing Overseas Direct Investment (ODI) regulations laid down by RBI in this regard.

8. INDIRECT TAXES

a. In respect of non-provision for Service Tax for the nine Show cause-cum-demand notices received from the service tax department amounting to Rs.337,369,979/- (March 31, 2017: Rs.189,442,245) for the taxable value of services rendered under the category of "Club or Association" for the period June 16, 2005 to March 31, 2017, the Auditor's remarks in their Report, read along with Note 17, 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, for the taxable value of services rendered under the category of "Club or Association", along with interest and imposed penalty of equivalent. 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.

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 commenced during the year.

- 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 commenced during the year.

In all the above cases, the Company is advised to expect a favourable outcome.

- 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 is awaited.
- 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 ie., the taxable value of services under the category ‘Club or Association’ service. The Company has filed its reply and personal hearing is awaited.
- vi) 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 22.01.14, Rs.152,259 dated 13.01.14 and Rs.125,288 dated 02.02.14 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 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.

9. 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.

10. 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 EY and N.L. Bhatia & Associates were appointed to review internal controls and policies and present a detailed report on compliance.

11. 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	Mr. Vinit Thakkar	08050943	Appointment	24/01/2018
2	Mr. Sanujeet Bhujbal	01915460	Appointment	16/04/2018
3	Mr. Ajit Kumar	08105941	Appointment	29/05/2018
4	Mr. Bhushan Kumar Dua	00126614	Appointment	17/07/2018
5	Mr. Umesh Gupta	01389166	Resignation	24/11/2017
6	Mr. Devraj Sanyal	03533598	Resignation	24/01/2018
7	Mr. Shridhar Subramaniam	00118318	Resignation	01/03/2018
8	Mr. Ganesh Jain	00332372	Resignation	01/04/2018
9.	Mr. G.B. Aayeer	00087760	Resignation	29/05/2018
10.	Mr. Kumar Taurani	00555831	Resignation	28/08/2018

The Board places on record its deep appreciation for the services rendered by Mr. Umesh Gupta, Mr. Devraj Sanyal, Mr. Shridhar Subramaniam, Mr. Ganesh Jain, Mr. G. B. Aayeer 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. Mandar Ramesh Thakur (DIN: 5333792) shall retire by rotation at the ensuing Annual General Meeting of the Company who being eligible, has offered himself for re-appointment. The Board recommends his appointment.

The necessary resolutions for the appointment of Mr. Vinit Thakkar, Mr. Sanujeet Bhujabal, Mr. Ajit Kumar and Mr. Bhushan Kumar Dua have been included in the notice of the Annual General meeting. The Directors recommend their appointment.

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).

12. DISCLOSURES RELATED TO BOARD MEETINGS:

The Board of Directors of the Company met twelve times during the financial year ended 31st March 2018 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.	21 st April, 2017
2.	13 th June, 2017
3.	19 th July, 2017
4.	4 th September, 2017
5.	29 th September, 2017
6.	21 st November, 2017
7.	26 th December, 2017
8.	27 th February, 2018
9.	27 th March, 2018

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

13. 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 2018:

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. RATIFICATION OF APPOINTMENT OF AUDITORS:

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s. Price Waterhouse, Chartered Accountants, Mumbai (Firm Registration No. 301112E) the Statutory Auditors of the Company have been appointed for a term of 5 years. However, their appointment as Statutory Auditors of the Company shall be required to be ratified by the Members at the ensuing Annual General Meeting. The Company has received a confirmation from the said Auditors that they are not disqualified to act as the Auditors and are eligible to hold the office as Auditors of the Company.

Necessary resolution for ratification of appointment of the said Auditors is included in the Notice of AGM for seeking approval of members.

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

During the Financial year 2017-18, 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.

15. 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 2018 made under the provisions of Section 92(3) of the Act is attached as **Annexure** which forms part of this Report.

16. PARTICULAR OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES:

During the financial year 2017-18, 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.

17. 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, 2017 to 31st March, 2018 [Current F.Y.]	1 st April, 2016 to 31 st March, 2017 [Previous F.Y.]
Actual Foreign Exchange earnings	Nil	Nil
Actual Foreign Exchange outgo	Nil	75,269/-

18. 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.

19. 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.

20. 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.

21. 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. The similar Writ Petition that was earlier filed by PPL in Delhi High Court has been withdrawn.

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.
- (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. The report of the said CA firm is pending.
- (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. MBL re-examined the witness and the same is also complete and the Commissioner has sent the report to the Court.

- (iv) **MBL Company scheme of amalgamation / arrangement:** 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 is filed in the Bombay High Court against the said merger. Also an Appeal is 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** ("Radio Oye"): 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 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 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) **PPL v/s. India Radio Ventures Pvt. Ltd.** (“Radio Indigo): PPL has filed a suit for injunction and damages against India Radio Ventures Pvt. Ltd., in June 2012 before the Hon’ble Bombay High Court for illegally and unauthorized broadcasting the sound recordings on its FM Radio Station Radio Indigo 91.9 FM. PPL has also filed its evidence in the matter and prosecuting the case on regular basis. After filing the suit, Radio Indigo has paid part amounts towards past usage to PPL. Now PPL and India Radio Ventures have settled the matter by filing a consent term dated 14.10.2016. IRV agreed to pay sum of Rs. 4,75,000/- for the term 1.7.16 to 31.3.2017. For the term 1.4.17 to 31.3.2018 IRV to pay a sum of Rs. 5,22,500/-. Consent Term disposed the suit and motion. Extension of the consent term is executed and the License fee is revised based on the Consent term.
- (ix) **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.
- (x) **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.
- (xi) **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.
- (xii) **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.

- (xiii) **PPL v/s Puran Multimedia** (“Radio Mantra”): PPL has filed a summary 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 cross examination of PPL’s witness has been completed. The claim amount in the matter is secured vide the supreme court order passed in the MBL Company scheme of amalgamation / arrangement matter (Described hereinabove).
- (xiv) **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.
- (xv) **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.

3. 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 letter will be periodically sent to the defaulting broadcaster.

4. Litigations related to ‘Public Performance’:

A. WEST:

Year End Suits 2017 at Bombay High Court:

In the year 2017, considering the year end activities, PPL filed 6 Suits and we didn’t succeed to get favourable Injunction thereafter PPL filed 6 Appeals challenging the Order passed by the Bombay High Court in 6 Suits to seek injunction and accordingly PPL succeeded and got favourable Order against 61 establishments across the states of Maharashtra, Goa, Gujarat, Madhya Pradesh and Chhatisgarh. Apart from that PPL filed separate suit against Percept for seeking injunction. PPL and Percept filed consent terms with regard to Percept will provide the DVD of their event and PPL have to identify whether the songs belong to the PPL are communicated at the event. Some parties made PPL the payment. Some parties made PPL the payment and some deposited the amount in the Court. Next stage is to file contempt proceedings against the establishments who have infringed the copyright and violated court orders.

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.

B. SOUTH:

Hyderabad:

PPL filed several Suits in Civil Court, Hyderabad against various parties and some of the matters reached at the stage of evidence of PPL and in some of the matters reached at the stage of summons to the other side party for not obtaining license from PPL.

Chennai:

Year End Suits 2017 at Madras High Court

In the year 2017, PPL had filed a suit seek injunction against 49 clients in O.A. No.1258 of 2017 in C.S No 975 of 2017 – Phonographic Performance Limited – Vs- The Accord Metropolitan (1st Defendant) and 49 others High Court Madras. The clients from states of TN & Karnataka were covered in the suit, The Court granted injunction on all the parties, directed the parties either to deposit 1.25 lakhs in the court or to obtain the Necessary license from PPL. Few clients went on an Appeal against the order and the court ordered that the deposit money may be reduced to 75000 for those parties who have appealed on the above matter, As per the direction of the court few clients have deposited the prescribed amount in the court and few clients had obtained the License.

Apart from that, there are 7 Suits filed before the Madras High Court and all the matters are still going on and the same was filed earlier to the year 2017 and 4 matters are going on in Karnataka High Court and City Civil Court.

We filed contempt proceedings against the establishments who have infringed the copyright and violated court orders, the contempt proceeding is yet to be listed for hearing.

C. EAST:

PPL filed 2 Year- end Suits against 40 parties covering the states of West Bengal, North East, Jharkhand and Orissa at The Court of the Ld. District Judge, North 24 Parganas at Barasat. Ld. Court has restrained all 40 defendants from using/exploiting the sound recordings in respect of which PPL owns copyright in their programmes without obtaining license from PPL till disposal of the injunction application. Posts passing the orders of injunction few parties have paid the license fee.

D. NORTH:

In the year 2017, considering the year end activities, PPL filed various suits in the North Indian Region. Court granted injunction on all the parties. Some parties made PPL the payment and some deposited the amount in the Court. Next stage is to file contempt proceedings against the establishments who have infringed the copyright and violated court orders.

We initiated Year end Suits in 2017 in the following cities/towns in North India

1. DELHI: 5 Suits were filed in Patiala House Court & Karkardooma Court Injunction was granted.
2. GURGAON: Filed Suit against 5 parties. Granted Injunction against all.
3. KULLU: Filed Suit against 5 parties. Granted Injunction against all.
4. LUCKNOW: Filed Suit against 8 parties. Granted Injunction except in one matter, wherein the Court is vacant.

E. Other Important matters:

- i. Delhi High Court PVR BluO Vs. UOI, PPL – In the suit filed by PVR BluO against PPL, the court directed PVR BluO to deposit a sum of Rs. 10,00,000/- in the court in favour of PPL. The suit has been disposed..
- ii. **Percept**
Event: Sunburn :
During the year end 2016 and 2017, PPL has filed several Suits against Percept for the event Sunburn, in different State of India. However, PPL succeeded to get the Injunction in few matters.
- iii. A Suit was filed in Bombay High Court with regards to the Justin Bieber Concert in May 2016. However, White fox Entertainment paid the requisite License fees before filing of the same.
- iv. FIR filed against EEMA at Airport Police Station in October 2016.
- v. FIR filed against the Directors of Percept Ltd. At Lonikand Police Station in January 2017
- vi. FIR filed against Percept in Daman in March 2017
- vii. 2 FIRs filed in Goa against Holiday Inn and Mykonos Blu in January 2017.
- viii. 2 FIRs filed in Vadodara against Neopolitan Pizza and Ruchi Lifestyle.
- ix. On 28-06-2018 PPL obtained Court's direction u/s. 156(3) of CRPC to lodge Police Complaint against the Finastra software solutions for infringing the rights of PPL.

PPL also sends out several *suo-moto* notices to various establishments, hotels, restaurants, etc, across the country reminding them to obtain mandatory public performance license.

5. Other litigations/enquiries:

- a. Received notice dated 6th November 2017 from Siddiquee & Associates on behalf of Biscoot Records LLP calling upon PPL to make payment of Rs. 62, 56,184/- as service Tax. Appropriate reply sent has been sent.
- b. Provisional attachment order dt 8.6.2016 by Enforcement Directorate (ED), Mumbai had been appealed before Hon'ble Adjudicating Authority in Delhi. During the previous year, 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 made under sub-section (1) of section 5, is not confirmed.

Further, the ED appealed against the order of the Adjudicating Authority with Appellate Tribunal, for which the Company has received a favorable order

number FPA-PMLA-1631/MUM/2017 dated 28th June, 2017 confirming the decision of the Adjudicating Authority. According the said appeal is dismissed with no cost to the Company.

The ED has filed an appeal in Bombay High Court, however no stay has 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 court is to give the next date of hearing, after adjournment of hearing dated July 31, 2018. The Admission of the appeal is still pending.

PPL has made application dated May 31, 2018 to The Deputy Director of Enforcement for release of amounts placed under provisional attachment under PAO 09/2018 dated June 02, 2016.

- c. On 20.11.2017, ED officials visited head office premises and collected information and documents, as required by them.
- d. To letters received from Dr. Dangay enquiry officer into IPRS, the Company had furnished written replies, as advised by lawyers; it is learnt that similar letters have been received by many other music labels. A letter had been received from EoW, Delhi, in respect of a complaint by Film Writers Association; the Company has never had anything to do with this body and the jurisdiction of Delhi is also not established/clear.
- e. In the case against M/s Shot Formats Digital Production Pvt Ltd, M/s Shot Formats Digital Works Pvt Ltd, and M/s Biscoot Records LLP, PPL received a summons from Directorate General of GST Intelligence, to produce documents, during the year 2017-18 and appear in Delhi for personal hearing. PPL produced all documents and recorded statement on the said matter.

22. 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.

23. REVISION OF FINANCIAL STATEMENT:

There was no revision of the financial statements for the year under review.

24. 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, 2018, 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, 2018 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;

25. ACKNOWLEDGEMENTS:

We take this opportunity to convey our sincere appreciation to all the Members, Music Licensees, IFPI, IMI, suppliers, bankers, lawyers, 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**

**SANUJEET BHUJABAL
DIRECTOR
DIN: 01915460**

Date: 28th August, 2018

Place: Mumbai

Registered Office:

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

CIN: U74999MH1941GAP142271

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INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PHONOGRAPHIC PERFORMANCE LIMITED

Report on the Financial Statements

1. We have audited the accompanying financial statements of **Phonographic Performance Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

Auditors' Responsibility

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

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. As required by Section 143 (3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 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 Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2018 on its financial position in its financial statements - Refer Note 17.
 - ii. The Company has long-term contracts as at March 31, 2018 for which there were no material foreseeable losses. The Company did not have any derivative contracts as at March 31, 2018.
 - 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, 2018.
 - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2018.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Sd/-
Asha Ramanathan
Partner
Membership Number 202660

Place: Mumbai
Date: August 31, 2018

Annexure A to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Phonographic Performance Limited on the financial statements as of and for the year ended March 31, 2018

- 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 made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- 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, except for dues in respect of provident fund, where there have been serious delays in some cases, the Company is generally regular in depositing undisputed statutory dues in respect of income tax, service tax, goods and service tax with effect from July 1, 2017 and profession tax though there were delays in deposit, which were not serious and is regular in depositing undisputed statutory dues, including 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.
- (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, 2018 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'ble 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 the 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	
				19,149,562
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

Annexure A to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Phonographic Performance Limited on the financial statements for the year ended March 31, 2018 Page 2 of 2

- 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.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 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) of 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 review. 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 within the meaning of Section 192 of the Act. 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

Place: Mumbai
Date: August 31, 2018

Phonographic Performance Limited
Balance Sheet as at March 31, 2018
Amount in Rupees, unless otherwise stated

	Note	As at March 31, 2018	As at March 31, 2017
EQUITY AND LIABILITIES			
Reserves and Surplus	3	9,32,65,545	9,11,13,860
		<u>9,32,65,545</u>	<u>9,11,13,860</u>
Non-Current Liabilities			
Other Long-Term Liabilities	4	8,82,21,271	8,89,21,271
Long-Term Provisions	5	64,15,420	1,99,69,559
		<u>9,46,36,691</u>	<u>10,88,90,830</u>
Current Liabilities			
Trade Payables	6		
Total outstanding dues of Micro Enterprises and Small Enterprises		1,351	67,813
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		30,50,58,047	43,63,85,882
Other Current Liabilities	7	7,98,15,720	10,48,03,499
Short-Term Provisions	8	29,41,900	49,00,033
		<u>38,78,17,018</u>	<u>54,61,57,227</u>
TOTAL		<u>57,57,19,254</u>	<u>74,61,61,917</u>
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	9	2,17,81,671	2,15,82,028
Intangible Assets	10	23,57,892	27,95,268
Deferred Tax Assets (Net)	11	27,54,204	81,56,753
Long-Term Loans and Advances	12	12,96,14,159	14,11,85,564
		<u>15,65,07,926</u>	<u>17,37,19,613</u>
Current Assets			
Trade Receivables	13	7,17,74,564	11,28,54,680
Cash and Bank Balances	14	33,48,62,357	28,28,02,126
Short-Term Loans and Advances	15	1,12,42,163	3,91,05,037
Other Current Assets	16	13,32,244	13,76,80,461
		<u>41,92,11,328</u>	<u>57,24,42,304</u>
Total		<u>57,57,19,254</u>	<u>74,61,61,917</u>
Summary of Significant Accounting Policies	2		
Contingent Liabilities	17		

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/-
Asha Ramanathan
Partner
Membership No. 202660

Sd/-
Mandar Thakur
Director
DIN. 05333792

Sd/-
Vinit Thakkar
Director
DIN. 08050943

Place: Mumbai
Date: 31st August 2018

Place: Mumbai
Date: 28th August 2018

Place: Mumbai
Date: 28th August 2018

Phonographic Performance Limited
Statement of Profit and Loss for the year ended March 31, 2018
Amount in Rupees, unless otherwise stated

	Note	Year Ended March 31, 2018	Year Ended March 31, 2017
Revenue from Operations (Net)	19	27,17,53,102	35,23,26,520
Other Income	20	1,04,22,131	2,27,25,731
Total Revenue		28,21,75,233	37,50,52,251
Expenses			
Employee Benefits Expense	21	10,55,79,893	12,88,06,430
Depreciation and Amortisation Expense	22	45,18,374	54,14,891
Other Expenses	23	16,45,22,733	22,99,56,890
Total Expenses		27,46,21,000	36,41,78,211
Profit Before Tax		75,54,233	1,08,74,040
Tax Expense			
Current Year			
Current Tax		-	90,00,000
Minimum Alternate Tax (MAT)		14,39,459	-
Less: Minimum Alternative Tax Credit Receivable		(14,39,459)	-
Earlier Years		-	(2,01,519)
Deferred Tax charge/ (Credit)		54,02,548	(41,80,570)
Profit for the Year		21,51,685	62,56,129

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/-
Asha Ramanathan
Partner
Membership No. 202660

Sd/-
Mandar Thakur
Director
DIN. 05333792

Sd/-
Vinit Thakkar
Director
DIN. 08050943

Place: Mumbai
Date: 31st August 2018

Place: Mumbai
Date: 28th August 2018

Place: Mumbai
Date: 28th August 2018

Phonographic Performance Limited
Cash Flow Statement for the year ended March 31, 2018
Amount in Rupees, unless otherwise stated

	Year ended March 31, 2018	Year ended March 31, 2017
A. Cash flow from Operating activities		
Net profit before tax	75,54,233	1,08,74,040
Adjusted for:		
Depreciation and Amortisation Expense	45,18,374	54,14,891
Sundry debtors written off, now recovered	(17,85,894)	(75,23,451)
Profit/(Loss) on Sale/Scrap of Fixed Assets (Net)	13,14,011	(4,497)
Liabilities no Longer Required Written Back	(10,82,004)	(43,28,241)
Interest Income	(75,52,733)	(1,07,81,519)
Operating Profit / (Loss) before Working Capital changes	29,65,987	(63,48,777)
(Decrease)/ Increase in Trade Payables	(13,03,12,293)	11,11,65,943
Decrease in Other Liabilities	(2,56,87,779)	(2,27,37,776)
(Decrease)/ Increase in Provisions	(1,55,12,272)	1,12,13,800
Decrease in Trade Receivables	4,28,66,010	8,64,85,686
Decrease in Other Current Assets	13,73,29,152	2,30,64,283
Decrease/ (Increase) in Loans and Advances	2,75,74,005	(7,62,634)
Cash generated from Operations	3,92,22,810	20,20,80,525
Taxes Refund [Net]	1,18,60,275	1,35,85,841
Net cash from Operating activities (A)	5,10,83,085	21,56,66,366
B. Cash flow from Investing activities		
Purchase of Fixed Assets	(63,91,440)	(40,03,729)
Sale of Fixed Assets	7,96,788	14,301
Interest Received	65,71,798	1,04,30,210
Net cash from Investing activities (B)	9,77,146	64,40,782
C. Cash flow from Financing activities		
Net cash (used in) Financing activities (C)	-	-
D. Net increase in Cash and cash equivalents (A+B+C)	5,20,60,231	22,21,07,148
E. Cash and Cash Equivalents as at April 1, 2017 (Opening Balance)	28,28,02,126	6,06,94,978
F. Cash and Cash Equivalents at March 31, 2018 (Closing Balance)	33,48,62,357	28,28,02,126
G. Components of Cash and Cash Equivalents (Refer Note 14)		
Balance with Banks:		
In Current Accounts	18,36,50,492	17,34,75,023
In Fixed Deposits with original maturity of less than 3 months	10,08,22,356	10,93,27,103
Other Bank Balances:		
Deposits with maturity more than 3 months but less than 12 months	5,03,89,509	-
Total Cash and Cash Equivalents	33,48,62,357	28,28,02,126

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

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

Sd/-
Asha Ramanathan
Partner
Membership No. 202660

Sd/-
Mandar Thakur
Director
DIN. 05333792

Sd/-
Vinit Thakkar
Director
DIN. 08050943

Place: Mumbai
Date: 31st August 2018

Place: Mumbai
Date: 28th August 2018

Place: Mumbai
Date: 28th August 2018

Phonographic Performance Limited
Notes to Financial Statements as at and for the year ended March 31, 2018

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-gos, 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.

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. Pursuant to Section 133 of the Companies Act, 2013 read with Rule 7(1) of the Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] 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, 2018

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.

Phonographic Performance Limited

Notes to Financial Statements as at and for the year ended March 31, 2018

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.

2.9 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.

2.10 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.

2.11 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.

2.12 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.

2.13 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.

Phonographic Performance Limited
Notes to Financial Statements as at and for the year ended March 31, 2018
Amount in Rupees, unless otherwise stated

	<u>As at March 31, 2018</u>	<u>As at March 31, 2017</u>
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	8,70,81,870	8,08,25,741
Profit for the year	21,51,685	62,56,129
Balance as at the end of the year	<u>8,92,33,555</u>	<u>8,70,81,870</u>
Total	<u>9,32,65,545</u>	<u>9,11,13,860</u>
Note 4		
Other Long-Term Liabilities		
Security Deposits from Licensees	6,67,24,305	6,74,24,305
Advances Received from Licensees	2,14,96,966	2,14,96,966
Total	<u>8,82,21,271</u>	<u>8,89,21,271</u>
Note 5		
Long-Term Provisions		
Provision for Employee Benefits		
Provision for Gratuity (Refer Note 28)	15,93,831	92,96,903
Provision for Compensated Absences	48,21,589	1,06,72,656
Total	<u>64,15,420</u>	<u>1,99,69,559</u>
Note 6		
Trade Payables		
Total outstanding dues of Micro Enterprises and Small Enterprises (Refer Note 32)	1,351	67,813
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	30,50,58,047	43,63,85,882
Total	<u>30,50,59,398</u>	<u>43,64,53,695</u>
Note 7		
Other Current Liabilities		
Advances Received from Licensees	86,79,090	5,37,70,148
Statutory Dues including Provident Fund and Tax Deducted at Source	4,31,23,537	3,97,33,232
Payable to Employees	80,13,093	1,13,00,119
Others (Refer Note 27)	2,00,00,000	-
Total	<u>7,98,15,720</u>	<u>10,48,03,499</u>
Note 8		
Short-Term Provisions		
Provision for Employee Benefits		
Provision for Gratuity (Refer Note 28)	27,18,234	43,29,813
Provision for Compensated Absences	2,23,666	5,70,220
Total	<u>29,41,900</u>	<u>49,00,033</u>

Phonographic Performance Limited
Notes to Financial Statements as at and for the year ended March 31, 2018
Amount in Rupees, unless otherwise stated

	<u>As at</u> <u>March 31, 2018</u>	<u>As at</u> <u>March 31, 2017</u>
Note 11		
Deferred Tax Assets (Net)		
Deferred Tax Assets:		
Provision for Employee Benefits	26,03,206	82,21,887
Other Timing differences	9,82,945	16,61,137
Deferred Tax Liabilities:		
Depreciation	8,31,947	17,26,271
Deferred Tax Assets (Net)	<u><u>27,54,204</u></u>	<u><u>81,56,753</u></u>

Note: Deferred Tax assets and deferred tax liabilities have been offset as they relate to the same governing taxation laws

Note 12		
Long-Term Loans and Advances		
[Unsecured, Considered Good (unless otherwise stated)]		
Advances Recoverable in Cash or in Kind or for Value to be Received	1,40,44,427	1,41,42,771
Security Deposits	21,26,107	14,14,837
Balance with Government Authorities	1,17,33,706	1,06,18,303
Advance Income Tax [Net of Provision Rs.28,039,460 (March 31, 2017: Rs.26,600,000)]	10,17,09,919	11,50,09,653
Total	<u><u>12,96,14,159</u></u>	<u><u>14,11,85,564</u></u>

Note 13		
Trade Receivables		
Unsecured, considered good:		
Outstanding for a period exceeding six months from the date they are due for payment	2,51,208	2,09,50,091
Others	7,15,23,356	9,19,04,589
Total	<u><u>7,17,74,564</u></u>	<u><u>11,28,54,680</u></u>

Phonographic Performance Limited
Notes to Financial Statements as at and for the year ended March 31, 2018
Amount in Rupees, unless otherwise stated

	<u>As at</u> <u>March 31, 2018</u>	<u>As at</u> <u>March 31, 2017</u>
Note 14		
Cash and Bank Balances		
Cash and Cash Equivalents (Refer Note 35)		
Bank balances		
In Current Accounts (Refer Note 18)	18,36,50,492	17,34,75,023
Demand Deposits (less than 3 months maturity)	10,08,22,356	10,93,27,103
Other bank balances		
Deposits with maturity more than 3 months but less than 12 months (Refer Notes below)	5,03,89,509	-
Total	<u>33,48,62,357</u>	<u>28,28,02,126</u>

Notes: Includes Fixed Deposit amounting to 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 for settlement or closure of license fee.

Also refer Note 27.

	<u>As at</u> <u>March 31, 2018</u>	<u>As at</u> <u>March 31, 2017</u>
Note 15		
Short-Term Loans and Advances		
[Unsecured, Considered Good (unless otherwise stated)]		
Advances Recoverable in Cash or in Kind or for Value to be Received	37,51,926	1,23,47,521
Prepaid Expenses	12,83,666	13,93,490
Security Deposits	11,24,012	26,08,300
Balance with Government Authorities	36,43,100	2,27,55,726
Minimum Alternative Tax Credit Entitlement	14,39,459	-
Total	<u>1,12,42,163</u>	<u>3,91,05,037</u>

	<u>As at</u> <u>March 31, 2018</u>	<u>As at</u> <u>March 31, 2017</u>
Note 16		
Other Current Assets		
[Unsecured, Considered Good (unless otherwise stated)]		
Interest accrued on Deposits	13,32,244	3,51,309
Unbilled Income	-	13,73,29,152
Total	<u>13,32,244</u>	<u>13,76,80,461</u>

Phonographic Performance Limited
Notes to Financial Statements as at and for the year ended March 31, 2018
Amount in Rupees, unless otherwise stated

Note 17
Contingent Liabilities

(a) The service tax department had raised nine show cause-cum-demand notices amounting to Rs.337,369,979 (March 31, 2017: Rs.189,442,245) for the taxable value of services rendered under the category of "Club or Association" for the period June 16, 2005 to March 31, 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 commenced in the current year. No provision has been made with regard to this demand as the Company is expecting a favourable order.

(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 commenced in the current year. No provision has been made with regard to this demand as the Company is expecting a favourable order.

(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 hearing has commenced in the current year. 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. No provision has been made with regard to this demand as the Company is expecting a favourable order.

(vi) 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.

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) 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.

Phonographic Performance Limited

Notes to Financial Statements as at and for the year ended March 31, 2018

Amount in Rupees, unless otherwise stated

Note 9

Tangible Assets

Block of Assets	Gross Block				Depreciation				Net Block	
	As at April 1, 2017	Additions	Disposal	As at March 31, 2018	As at April 1, 2017	For the Year	Disposal	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

Block of Assets	Gross Block				Depreciation				Net Block	
	As at April 1, 2016	Additions	Disposal	As at March 31, 2017	As at April 1, 2016	For the Year	Disposal	As at March 31, 2017	As at March 31, 2017	As at March 31, 2016
Own Assets:										
Building	1,70,00,136	-	-	1,70,00,136	33,51,654	2,80,151	-	36,31,805	1,33,68,331	1,36,48,482
Leasehold Improvements	35,07,485	5,71,320	-	40,78,805	32,14,885	5,78,254	-	37,93,139	2,85,666	2,92,600
Computers	96,86,750	10,90,087	1,08,880	1,06,67,957	72,44,745	15,81,709	1,08,880	87,17,574	19,50,383	24,42,005
Office Equipment	47,10,397	2,40,216	21,745	49,28,868	29,44,238	7,93,154	11,942	37,25,450	12,03,418	17,66,159
Furniture and Fixtures	61,43,337	84,745	-	62,28,082	42,19,948	6,01,242	-	48,21,190	14,06,892	19,23,389
Motor Car	74,80,138	-	-	74,80,138	31,18,050	9,94,750	-	41,12,800	33,67,338	43,62,088
Total	4,85,28,243	19,86,368	1,30,625	5,03,83,986	2,40,93,520	48,29,260	1,20,822	2,88,01,958	2,15,82,028	2,44,34,723

Phonographic Performance Limited

Notes to Financial Statements as at and for the year ended March 31, 2018

Amount in Rupees, unless otherwise stated

Note 10

Intangible Assets

Particulars	Gross Block				Amortisation				Net Block	
	As at April 1, 2017	Additions	Disposal	As at March 31, 2018	As at April 1, 2017	For the Year	Disposal	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

Particulars	Gross Block				Amortisation				Net Block	
	As at April 1, 2016	Additions	Disposal	As at March 31, 2017	As at April 1, 2016	For the Year	Disposal	As at March 31, 2017	As at March 31, 2017	As at March 31, 2016
Own Assets (Acquired) Software	57,88,332	20,17,361	-	78,05,693	44,24,793	5,85,632	-	50,10,425	27,95,268	13,63,539
Total	57,88,332	20,17,361	-	78,05,693	44,24,793	5,85,632	-	50,10,425	27,95,268	13,63,539

Phonographic Performance Limited**Notes to Financial Statements as at and for the year ended March 31, 2018***Amount in Rupees, unless otherwise stated***Note 18**

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 has 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 SBM and CitiBank amounting to Rs.120,961,770 and Rs.9,438,230 respectively, is 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 this 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 has 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 has filed an appeal in Bombay High Court, however no stay has 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 court is to give the next date of hearing, after adjournment of hearing dated July 31, 2018. The Admission of the appeal is still pending.

PPL has made application dated May 31, 2018 to The Deputy Director of Enforcement for release of amounts placed under provisional attachment under PAO 09/2018 dated June 02, 2016.

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.

Subsequent to the year end, 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, out of which Rs.120,000,000 has been paid off to IPRS Ltd as of date and the final payment would be made by September 15, 2018.

	<u>Year Ended March 31, 2018</u>	<u>Year Ended March 31, 2017</u>
Note 19		
Revenue from Operations (Net)		
Licence Fees income of members:		
Broadcasting (Refer Note 24)	19,78,31,124	18,27,30,733
Public Performance	63,87,61,228	52,68,85,221
Mobile and Digital	<u>2,28,30,490</u>	<u>69,09,61,981</u>
	<u>85,94,22,842</u>	<u>1,40,05,77,935</u>
Less: Licence Fees distribution to members (Refer Note 25)	<u>58,76,69,740</u>	<u>1,04,82,51,415</u>
Total	<u>27,17,53,102</u>	<u>35,23,26,520</u>
Note 20		
Other Income		
Interest Income on		
Fixed Deposits with Banks	39,20,691	13,88,675
Income Tax Refund	36,32,042	93,92,844
Liabilities no Longer Required Written Back	10,82,004	43,28,241
Sundry debtors written off, now recovered	17,85,894	75,23,451
Profit on Sale/Scrap of Fixed Assets (Net)	-	4,497
Miscellaneous Income	1,500	88,023
Total	<u>1,04,22,131</u>	<u>2,27,25,731</u>

Phonographic Performance Limited**Notes to Financial Statements as at and for the year ended March 31, 2018***Amount in Rupees, unless otherwise stated*

	Year Ended March 31, 2018	Year Ended March 31, 2017
Note 21		
Employee Benefits Expense		
Salaries, Allowances and Bonus	9,37,61,681	11,03,50,053
Contribution to Provident and Other Funds	48,67,510	58,77,108
Gratuity [including Prior Period expense of Rs. NIL (March 31, 2017	18,81,462	85,28,496
Staff Welfare Expenses	50,69,240	40,50,773
Total	<u>10,55,79,893</u>	<u>12,88,06,430</u>
Note 22		
Depreciation and Amortisation Expense		
Depreciation on Tangible Assets	37,80,998	48,29,259
Amortisation on Intangible Assets	7,37,376	5,85,632
Total	<u>45,18,374</u>	<u>54,14,891</u>
Note 23		
Other Expenses		
Anti-piracy & enforcement costs and contribution	-	3,29,33,000
Electricity Charges	19,81,909	15,67,296
Repairs and Maintenance	98,99,727	1,05,70,174
Monitoring and Processing Expenses	12,06,161	10,73,638
Rent (Refer Note 31)	1,00,62,925	77,18,010
Rates and Taxes	37,22,115	64,748
Swatch Bharat Cess on Service Tax	14,26,033	50,12,106
Interest on Statutory Payments	21,08,191	26,20,484
Insurance	24,879	64,103
Business Promotion & Meetings	21,81,297	48,35,603
Advertisement, Publicity & Gazetting	32,93,938	59,57,860
Printing and Stationery	17,12,501	23,59,288
Recruitment Charges	19,86,566	7,13,888
Travelling, Conveyance and Car Expenses	2,43,17,698	4,20,83,509
Legal & Litigation Costs	4,49,37,207	6,52,26,141
Professional and Retainership Fees	2,39,65,503	1,55,39,409
Payment to Auditor		
As Auditor:		
Audit Fee	9,00,000	10,25,000
Tax Audit Fee	3,00,000	4,00,000
Reimbursement of Expenses	20,000	22,650
Postage, Telegram and Telephone	67,81,735	87,78,111
Commission (Refer Note 33)	1,96,85,739	1,88,61,947
Directors Sitting Fees	2,50,000	3,35,000
Loss on Sale/Scrap of Fixed Assets (Net)	13,14,011	-
Miscellaneous Expenses	24,44,598	21,94,925
Total	<u>16,45,22,733</u>	<u>22,99,56,890</u>

Phonographic Performance Limited

Notes to Financial Statements as at and for the year ended March 31, 2018

Amount in Rupees, unless otherwise stated

Note 24

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 previous year. 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 25

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, 2018</u>	<u>Year Ended</u> <u>March 31, 2017</u>
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Note 26

Expenditure in Foreign Currency

Travelling Expenses	-	75,269
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Phonographic Performance Limited**Notes to Financial Statements as at and for the year ended March 31, 2018***Amount in Rupees, unless otherwise stated***Note 27**

During the year, Shri Puran Multi Media Ltd (SPMML - Broadcaster) and Music Broadcasting Limited (MBL) moved an application for merger. However SPMML is liable to pay Rs.42,917,266 to Phonographic Performance Limited (PPL) in case of judgement in favour of PPL in the Hon'ble Madras High Court in relation to outstanding litigation concerning CRB Order.

PPL filed an appeal in Allahabad High Court against sanctioning of the scheme of Merger stating its concern for receipt of the amount stated above. 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 by Supreme Court MBL has 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 kept alive during the pendency of the suit.

Note 28**Employee Benefits Expense****(A) Defined Contribution Plans**

Amount recognised in the Statement of Profit and Loss

Employers' Contribution to Provident Fund	48,67,510	58,77,108
(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 type of separation from the Company or retirement, which ever is earlier. The benefits vest after five years of continuous service.

	Year Ended March 31, 2018	Year Ended March 31, 2017
(i) Present Value of Defined Benefit Obligation		
Balance at the beginning of the Year	2,36,21,582	1,53,44,550
Prior Period Liability	-	42,56,187
Liability Transferred Out/ Divestments	(26,03,211)	-
Current Service Cost	37,26,013	19,77,873
Interest Cost	18,09,413	12,21,426
Actuarial Loss / (Gain)	(31,97,313)	15,97,381
Benefits Paid	(1,62,84,007)	(7,75,835)
Balance at the end of the Year	<u>70,72,477</u>	<u>2,36,21,582</u>
(ii) Fair Value of Plan Assets		
Balance at the beginning of the Year	99,94,866	86,94,868
Expected Return on Plan Assets	7,65,607	6,92,111
Actuarial (Loss) on Plan Assets	(3,08,956)	(1,67,740)
Contributions	23,65,877	15,51,462
Assets Transferred Out/ Divestments	(26,03,211)	-
Benefits Paid	(74,53,771)	(7,75,835)
Balance at the end of the Year	<u>27,60,412</u>	<u>99,94,866</u>
Actual return on Plan Assets	4,56,651	5,24,371

Phonographic Performance Limited

Notes to Financial Statements as at and for the year ended March 31, 2018

Amount in Rupees, unless otherwise stated

	<u>As at March 31, 2018</u>	<u>As at March 31, 2017</u>			
(iii) Assets and Liabilities recognised in the Balance Sheet					
Present Value of Obligation	70,72,477	2,36,21,582			
Less: Fair Value of Plan Assets	<u>(27,60,412)</u>	<u>(99,94,866)</u>			
Amount recognised as liability	<u>43,12,065</u>	<u>1,36,26,716</u>			
Recognised under:					
Long-Term Provisions (Refer Note 5)	15,93,831	92,96,903			
Short-Term Provisions (Refer Note 8)	<u>27,18,234</u>	<u>43,29,813</u>			
Total	<u>43,12,065</u>	<u>1,36,26,716</u>			
	<u>Year Ended March 31, 2018</u>	<u>Year Ended March 31, 2017</u>			
(iv) Expenses recognised in the Statement of Profit and Loss					
Net Prior Period Items*	-	42,56,187			
Current Service Cost	37,26,013	19,77,873			
Interest Cost	18,09,413	12,21,426			
Expected Return on Plan Assets	(7,65,607)	(6,92,111)			
Actuarial Loss /(Gain)	<u>(28,88,357)</u>	<u>17,65,121</u>			
Total Expense	<u>18,81,462</u>	<u>85,28,496</u>			
(v) Major Category of Plan Assets as a % of total Plan Assets Administered by Life Insurance Corporation of India					
(vi) Actuarial Assumptions					
Discount Rate	7.87%	7.66%			
Expected Return on Plan Assets	7.87%	7.66%			
Salary Growth Rate	7.00%	7.00%			
(vii) Amounts recognised in current year and previous four Periods					
	<u>Year Ended March 31, 2018</u>	<u>Year Ended March 31, 2017</u>	<u>Year Ended March 31, 2016</u>	<u>Year Ended March 31, 2015</u>	<u>Year Ended March 31, 2014</u>
Present value of Obligation	70,72,477	2,36,21,582	1,53,44,550	1,32,50,152	93,22,845
Fair value of plan assets	27,60,412	99,94,866	86,94,868	74,19,625	59,11,024
Deficit/ (Surplus)	43,12,065	1,36,26,716	66,49,682	58,30,527	34,11,821
Experience Adjustments :					
(Gain) / Loss on plan Obligation	(29,93,598)	8,89,440	(5,03,202)	5,33,406	(8,77,298)
Gain / (Loss) on plan assets	(3,08,956)	(1,67,740)	(71,381)	(60,203)	12,336
	<u>Year Ended March 31, 2018</u>	<u>Year Ended March 31, 2017</u>			
(viii) Expected Contribution to the Gratuity Fund in the next year					
Gratuity			27,18,234	43,29,813	
(b) Compensated Absences					
Expense recognised in the Statement of Profit and Loss [(Refer Note 21) under Salaries, Allowances and Bonus]**			22,84,511	60,77,323	

* As per the Gratuity Trust Deed of the Company, employees are eligible for one month basic salary as gratuity instead of 15 days as per Payment Of Gratuity Act, 1972 for each year of service in excess of 10 years. However up to March 31, 2016 Gratuity liability was calculated based on the 15 days criteria as per Payment of Gratuity Act, 1972. Impact due to change of scheme in calculating present value of obligation is recognised as prior period adjustment in FY 2016-17.

** During the FY 2016-17, the Company had revised its Compensated Absence policy. Employees are eligible to carry forward Privilege Leave upto 60 days instead of 40 days.

Phonographic Performance Limited**Notes to Financial Statements as at and for the year ended March 31, 2018***Amount in Rupees, unless otherwise stated***Note 29****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, 2018. The Company is considered to be operating in one geographical segment.

Note 30**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, President and CEO (w.e.f January 1, 2018)
	Mrs. Janet Serrao Agarwal, Chief Financial Officer (CFO)
	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 (upto January 24, 2018)
	Mr. Vinit Harish Thakkar, Director (w.e.f January 24, 2018)
	Mr. Sanujeet Bhujbal, Director (w.e.f April 16, 2018)
	Mr. Ajit Kumar, Director (w.e.f May 29, 2018)
	Mr. Kumar Sadhuram Taurani, Director
	Mr. Mandar Ramesh Thakur, Director

(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 March 31, 2018	Year Ended March 31, 2017
Salaries and Allowances		
Mr. Vipul Pradhan, CEO	1,48,90,551	1,25,65,738
Mr. Suresh Srinivasan, COO	1,38,05,548	99,28,210
Mr. Rajat Kakar, President and CEO	36,06,350	-
Director Fee		
Mr. Shridhar Subramaniam	40,000	60,000
Mr. Ganesh Chaganlal Jain	30,000	55,000
Mr. Kumar Sadhuram Taurani	35,000	60,000
Mr. Devraj Saugata Sanyal	20,000	45,000
Mr. Ghanashyam Bhagwan Aayeer	35,000	30,000
Mr. Mandar Ramesh Thakur	40,000	25,000
Mr. Vinit Harish Thakkar	5,000	-
Mr. Umesh Gupta	25,000	30,000
Mr. Savan Lal Saha	20,000	30,000

Note 31**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.

	Year Ended March 31, 2018	Year Ended March 31, 2017
Lease payments recognised in the Statement of Profit and Loss during the year	1,00,62,925	77,18,010

Phonographic Performance Limited**Notes to Financial Statements as at and for the year ended March 31, 2018***Amount in Rupees, unless otherwise stated***Note 32****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, 2018</u>	<u>As at Mar 31, 2017</u>
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	1,351	67,813
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 33

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

Note 34

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.

Phonographic Performance Limited**Notes to Financial Statements as at and for the year ended March 31, 2018***Amount in Rupees, unless otherwise stated***Note 35**

Disclosures relating to Specified Bank Notes* (SBNs) held and transacted during the period from November 8, 2016 to December 30, 2016:

	SBNs*	Other denomination notes	Total
Closing cash in hand as on 8 November 2016	6,08,500	2,23,685	8,32,185
Add: Permitted receipts	-	6,84,269	6,84,269
Less: Permitted payments	-	6,24,944	6,24,944
Less: Amount deposited in Banks	6,08,500	-	6,08,500
Closing cash in hand as on 30 December 2016	-	2,83,010	2,83,010

* Specified Bank Notes (SBNs) mean the bank notes of denominations of the existing series of the value of five hundred rupees and one thousand rupees as defined under the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs no. S.O. 3407(E), dated the November 8, 2016.

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

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

Sd/-

Mandar Thakur

Director

DIN. 05333792

Sd/-

Vinit Thakkar

Director

DIN. 08050943

Place: Mumbai

Date: 31st August 2018

Place: Mumbai

Date: 28th August 2018

Place: Mumbai

Date: 28th August 2018

ANNEXURE I

EXTRACT OF ANNUAL RETURN- FORM MGT-9

As on financial year ended on 31st March 2018

[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.

Directors	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Hindu Undivided Family	-	-	-	-	-	-	-	-	-
Sub-total(B)(2):	-	-	-	-	-	-	-	-	-
Total Public Shareholding (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				
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	Name of Managing Director / Whole-time Director(s)			Total Amount
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 (A)	-	-	-	-
	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)		
	• Fee for attending general council meetings	Shri Shridhar Subramaniam	40,000
		Shri Ganesh Chhaganlal Jain	30,000
		Shri Kumar Sadhuram Taurani	35,000

		Shri Ghanashyam Bhagwan Aayeer	35,000
		Shri Umesh Gupta	25,000
		Shri Devraj Sugata Sanyal	20,000
		Shri Sovan Lal Saha	20,000
		Shri Mandar Ramesh Thakur	40,000
		Shri Vinit Harish Thakkar	5,000
	Total		2,50,000
	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/-

MANDAR THAKUR
DIRECTOR
DIN: 05333792

Sd/-

SANUJEET BHUJABAL
DIRECTOR
DIN: 01915460

Date: 28th August, 2018
Place: Mumbai

Phonographic Performance Ltd, Mumbai (PPL)

Confidential and privileged

Members Licence fees Payment-- Basis & Methodology for FY 2018-19 and onwards

1. Introduction:

PPL's revenue is earned from non-exclusive licences granted and issued to licencees in radio broadcasting and public performance.

The collected amount is distributed to member music labels, after recouping costs and out-goings. For this purpose, PPL is entitled to defer recoupment of some of the costs to next year, if the benefit of such costs would continue to accrue in next year also. Further, PPL is entitled to allocate on a reasonable basis common overheads and out-goings.

2. Basis of payment for different streams, modes and mediums:

A (1). Radio broadcasting-- All India Radio (AIR)

On the basis of member-wise (i.e. label-wise) summary report provided by AIR. This is usually furnished twice a year. AIR usually does not provide track-wise details.

A (2). Radio broadcasting – Pvt. FM

On the basis of track-wise usage log reports or needle hours usage report, periodically provided by the Licensees / broadcasters.

B. Public Performance

- i. In public performance, most of the licensees do not maintain or submit track-wise usage, as they find it too cumbersome. The number of licences issued every year runs into a few thousands. However, in those cases where the licensee furnishes proper track-wise log reports, the same shall form the basis of distribution of income from such licence. PPL will also partner with retail digital programming services for providing PPL the logs of music being played in retail stores. The amount received from such retail units will be distributed as per the logs given.
- ii. From the revenue collected (net of TDS suffered and of commission to third-party service providers), all administrative, operating costs, expenses and out-gos (both direct and allocated of common over-heads), and legal & litigation expenses; and contractually payable licence fees to members are to be deducted first.

This net amount is a common all-India pool across all States/territories and across all categories of users/licencees.

Individual members' shares out of this net amount are computed, as on the following formula: (a) 15% weightage to the net physical domestic sales turnover of audio products of individual member** [see Note 1, which elaborates this]; (b) 15% weightage to usage / downloads from 'caller ringback tunes; (c) 20% weightage 'FM radio by private

broadcasters' sub-stream, such weightage to be computed on needle-hours reported and not on amounts; (d) 50% weightage to usage-based streams of full-tracks through Airtel-Wynk, Gaana, and Saavn.

Members will write and authorize the above digital platforms, including telecom partners (for CRBT); with PPL team in copy to share the full track stream / CRBT download counts for their owned / controlled music catalogue.

In order to give weightage to actual usage while making distribution of license fee it has been decided to introduce a weightage of up to 5% for logs from sampling data. An endeavor to gather sampling data from statistically viable samples for this purpose will be made for the same. Should the sampling data meet the criteria of credibility then the above weightages of Physical, Radio, CRBT and Full Track Streams will be reduced proportionately.

For direct revenue, i.e. not through PPL, mainly pertaining to radio broadcasting, only usage-based needle hours will be considered; lump-sum or fixed-value or minimum guarantee values will not be considered. Such members, who have not assigned / licensed their radio broadcasting rights to PPL, will write and authorize the radio broadcasters with PPL team in copy to share the needle hours usage report for their owned / controlled music catalogue.

The specimen formats of CA certificates for declaring the physical sales will be communicated every year. In case of physical sales declarations that are apparently exaggerated or out-of-alignment with known market conditions or not apparently authentic, etc., PPL is entitled to further audit the records and call for supporting documents validating the declared physical sales. Royalties for such members will be put on hold till the supporting documents provided are cleared and approved by PPL appointed auditors. Further, if the supporting documents are not valid, the physical sales for such members will be considered as "Nil".

[** Note1 : The afore-said turnover is of audio products in physical formats (i.e. audio cassettes, audio CDs, MP3 CDs and audio DVDs), net of sales returns or provision for sales returns and channel discounts.; excludes export sales; and excludes home video (full movie VCDs, DVDs). In the event that it is not explicitly declared that the sales figure provided is of Audio products only, it will be assumed that 25% is of video products and the same shall not be eligible for being considered for payment of licence fees. Only trade i.e. bazaar retail sales are eligible. Sales figures of devotional albums to be excluded, in view of exemption in Copyright Act for licensing of religious places/functions. Premium sales, OEM sales, Corporate sales, "CD club" sales, direct marketing sales, and such or similar sales are not eligible. Only third party sales are taken in account; inter-company sales are excluded. In the case of new members who joined during the year, only pro rata licence fees is payable. Members are to furnish CA certificate or provide true copy of their accounts, before due date. Where the certified physical turnover amount is Rs. 2 (two) crores or more, the CA certificate should be furnished only from the statutory auditor CA, and not by any third-party CA.

PPL is authorised to call for and examine additional supporting documentations such as Income-Tax returns/computations, GST return details etc., to corroborate the figures given by a Member. PPL is authorised to call for and examine sales registers, and call for additional breakups such as sales of top-selling albums, top dealers/customers, etc. PPL is further authorised to depute its CA to cross-audit the figures given by Member.]

- iii. Fixed License Fee: Fixed license fee payout policy, for members who have not furnished the CA certificate of their physical sales and their counts / revenue from Radio and Digital (CRBT and Streaming) is negligible, stands discontinued.
- iv. A new assignor-member is eligible for share in Public Performance revenue only from the first date of the next quarter of joining, unless otherwise stated in the agreement with him. For example, a new member joining and assigning on 15th Feb. 2018, is eligible to receive royalty consideration only from 1st April 2018.

3. Periodicity of payment:

- i. **Public performance:** All payments will be made after finalization from internal and external auditors, completed preferably before Sept. 30th, subject to timely receipt of CA certificates from members, verification thereof and completion of audit.

However, in the event the estimated license fee payable to a member exceeds INR 60 lakhs p.a., the Company shall endeavor to process 'on account' monthly license fee payouts. Members not meeting the threshold of INR 60 lakhs p.a. shall be paid minimum two interims of license fee in a year. The historical data shall be used for computing the estimated income for members.

- ii. **Radio Broadcast:** On monthly basis, subject to receipt of usage reports and collected revenues from broadcasters on a timely basis.

Notwithstanding the foregoing, licence fees payment may be delayed on account of non-receipt or partial receipt of payments and/or logs or due to contractual disputes with licencees. No interest or penalty or damage is payable for payments delayed beyond aforesaid due dates.

- 4. **Deductions:** From the licence fees received from the licencees (net of TDS suffered), administrative expenses, legal expenses, anti-piracy charges are deducted, on percentage basis. As far as practicable, such deduction may be identified separately for each stream (i.e. public performance and radio broadcasting). In the event expenses were not fully recouped from the payment of the relevant year, such un-recouped expense may be carried over and recovered from the payment of licence fees consideration for the subsequent year. In the event of temporary inability to distribute a part of the revenue or part of the collected amounts due to Court order, or litigation or government intervention or orders by authorised government agencies/institution, the same may be withheld and kept aside, till the litigation or intervention or order is resolved; the Board is empowered to adopt and apply any reasonable basis, at its sole discretion, in apportioning the burden of the un-distributable amount across the members.
- 5. Licence fees from radio broadcasters will be accounted, credited and paid only after receipt of full payments and complete and correct usage log reports from the licencees and due verification/scrutiny of the same. Usage log reports from such licencees are subject to scrutiny, cross-verification, validation, independent monitoring and/or audit by PPL. Licence fees payment to members is liable to be temporarily kept in abeyance in cases where only partial logs or partial

payments are received or if “on-account” payments are received from the Licencee without adequate data to apply the payment correctly i.e. to the correct invoice/debit note.

6. Computation methodologies in special cases:

- i. In case of fixed value or lump-sum value licences or settlements, the licence fees per track is to be computed on quarterly or monthly rests (or, alternately, the entire contract term, at the option of PPL), by dividing the lump-sum or fixed value or settlement amount for the quarter (or the contract term, as the case may be) by the total actual reported usage for that quarter (or the contract term, as the case may be) of all PPL members.
- ii. In the event of a lump-sum or fixed-value licence fee across multiple locations or services (eg multiple stations of a radio broadcaster), same can be allocated to individual location or service on reasonable basis, utilizing available data and market information.
- iii. In cases where the Licencee fails to provide the periodic usage log report or a report is found to be erroneous or incomplete or inconsistent or unreliable and is not rectified expeditiously by the Licencee or there are practical difficulties in precisely identifying the song to a member, PPL is at liberty to apply a suitable surrogate method, for that amount, on a case-to-case basis. Such basis of such schemes may include, but not restricted to, the number of songs owned /registered by the member, or licence fees earnings of member in that stream or in aggregate, or logs given by a similar licensee, etc.
- iv. In case of monies received not identifying a specific track or a specific label, or excess receipts, such amounts may be utilized /applied, for members benefit, towards recoupment or absorption of PPL costs in any stream, including public performance stream, while computing net distributable amount.

7. It is the sole responsibility of assignors/members to register their new songs, with full and correct particulars, duly supported by album inlays or covers, on a timely basis with PPL. Any omission or delay in this regard is at the consequence of the member.

8. Counter-claims and disputes on title: In the event of counter-claims or ownership / controllership disputes on a song or album or catalogue, whether involving judicial proceedings or not, the licence fees on the same is liable to be kept suspended or withheld, till the satisfactory resolution of the dispute upon production and examination of necessary documentary evidence of ownership of copyright. The decisions of PPL in such cases will be at its sole and exclusive discretion and binding on the members and claimants concerned. The member shall produce such documentary proofs, including agreements with film producers, artists, etc., as may be required by PPL or its lawyers from time to time. PPL may choose to take legal advice/opinion on the counter-claim; in which case, the counter-claimant shall be required to deposit in advance the full legal cost with PPL, failing which the counter-claim is liable not to be processed. PPL also may issue suitable “public notice” in newspapers, in the event of counter-claims. No interest is payable on suspended license fees. Members affirm that they shall not raise any claim or dispute on PPL, in respect of alleged, direct or indirect loss or loss of gains / profit attributable to the disputed titles.

9. Temporary suspension or withholding of payment:

- i. PPL may temporarily suspend payments from a member's account if he, at any time, withdraws or terminates or restricts or derogates exclusive assignment/transfer of his repertoire or in parallel exploits the same through third-parties, in a manner inconsistent with the agreement signed by him with PPL. No interest is payable on suspended licence fees.
- ii. Licence fees payments may be temporarily withheld, at discretion of PPL, till the Member executes any pending documentation or evidence related to membership or assigned works. No interest is payable on suspended licence fees.
- iii. In the event of any funds of the Company being un-available on account of any legal action or Court order, including for example provisional attachment of funds, or bank account freeze or attachment of funds by an authority or Court, the Company is entitled and empowered to delay and/or with-hold the distribution of licence fee to members to such extent, on a pro-rata basis to each member, out of his eligible licence fee as calculated. The basis, time-frame, formula, methodology and decisions adopted by the Board in this regard shall be final and binding on all members. Amounts so with-held or delayed can be released only upon release of the funds by the authority or Court concerned.

10. Verifications:

- i. While reasonable efforts, within available resources and within the time constraints, are made to validate or scrutinize the usage logs reports from licencees, PPL does not assume responsibility for errors at the source i.e. in the usage log reports submitted by the licencees, including errors, mis-spellings, etc. in identification and description of the song, album, label, code number, etc. Attempt will be made to resolve un-identified and mis-matched reported usages by applying best-fit criteria, but with no guarantee. It is the responsibility of member to declare and register the full metadata of his repertoire, on a timely basis with PPL.
- ii. Licence fees received against mis-matched songs, that could not be satisfactorily resolved, may be directly applied to recoup administrative and legal expenses or, alternately, paid on a reasonable surrogate basis.

11. Adjustments: PPL may adjust or deduct from any future payments to a member any past over-payments that have been made to that member. Over-payments might have occurred where a member supplied incorrect information or has incorrectly registered his songs or due to sale of audio catalogue, or due to clerical oversight/error, or dispute/counter-claim, etc. PPL may offset or reduce the licence fees payable to a member to the extent of dues or claims from the same member to PPL, in his capacity as a licencee or user or in any other manner whatsoever.

12. Mode of payment: Licence fees payments are made by crossed cheques or by RTGS, where RTGS details have been furnished by member to PPL. In the event any taxes or levies are applicable on licence fees distributed to member, same shall be borne by (or charged to) the member. Cheques

shall be in favour of the Member's name only; payment assignment or endorsement requests may not be entertained.

13. In the event of any variation, if any, between the basis and methodology as per this document and the methodology specifically agreed in the agreement with an individual member, the latter shall prevail.
14. **TDS procedures:** Licence fees payment will not be made to a member till he furnishes his income-tax PAN number and copy of PAN certificate. Certificates for tax deducted at Source (TDS) will be issued to the member quarterly. Any discrepancy, to be notified within 15 days of the receipt of the said certificate. If any member has obtained concessional/lower TDS certificate from the income tax department, the same will be applied on the next licence fees payment due after the receipt of the said certificate. The certificate will be applied for the period and amount for which it is issued, and only until the closure of books/audit of accounts of PPL. Thereafter, for any payment of licence fees for the prior period, normal TDS rate will prevail.
15. **Tax procedures:** GST or other tax payment will be made to a member on his furnishing valid tax invoice as prescribed by the tax authorities, within the statutorily prescribed time-limits and as per the statutory prescribed format. Invoices not statutorily compliant cannot be processed for payment of tax.
16. In the event of postal or courier return of any licence fees cheques issued by PPL to a member and dispatched to the last declared address, the same shall be claimable by the member within 3 (three) years. Licence fees lying unclaimed in credit of in-accessible ex-members may be transferred to a separate deposit account in bank.

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 September, 2018

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 77th Annual General Meeting of the members of Phonographic Performance Limited

Phonographic Performance Limited ("the Company") at their Board of Directors meeting held on 28th August, 2018 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 28th August, 2018 of 77th Annual General Meeting ("77th AGM") which was held on 26th September, 2018 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 77th 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 77th 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 77th 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, 2018, 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 an Ordinary Resolution for appointment of Mr. Mandar Ramesh Thakur (DIN: 05333792), who retired by rotation at Annual General Meeting and being eligible, had offered himself for re-appointment;
3. **Resolution No. 3** as an Ordinary Resolution for appointment of Mr. Vinit Harish Thakkar (DIN: 08050943) as a Director, who shall be liable to retire by rotation;
4. **Resolution No. 4** as an Ordinary Resolution for appointment of Mr. Sanujeet Bhujabal (DIN: 01915460), as a Director, who shall be liable to retire by rotation;
5. **Resolution No. 5** as an Ordinary Resolution for appointment of Mr. Ajit Kumar (DIN: 08105941), as a Director, who shall be liable to retire by rotation;
6. **Resolution No. 6** as an Ordinary Resolution for appointment of Mr. Bhushan Kumar Dua (DIN: 00126614), as a Director, who shall be liable to retire by rotation;
7. **Resolution No. 7** as a Special Resolution for approval and adoption of new set of Articles of Association of the Company in substitution, and to the entire exclusion of the existing Articles of Association of the Company and;
8. **Resolution No. 8** as an Ordinary Resolution for approval of Members' License fee Payment Mechanism – Basis & Methodology.

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 Sunday, 23rd September, 2018 upto 5.00 p.m. of Tuesday, 25th September, 2018. Accordingly, e-votes casted upto 5.00 p.m. of Tuesday, 25th September, 2018 have been considered for my scrutiny.

After the conclusion of the 77th 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. Laxmi Narayana representing M/s Sivaranjani Music and Mr. P. Nagabhushana Rao representing M/s Music House, Members of the Company. Thereafter the voting through remote e-voting was unblocked in the presence of two witnesses not in employment of the Company, namely Ms. Komal Binwani and Ms. Rupali Somani. In case of members who voted through remote e-voting as well as by physical ballots at the 77th Annual General Meeting, the physical ballots of such members were treated as invalid. A summary of the votes casted by members through remote e-



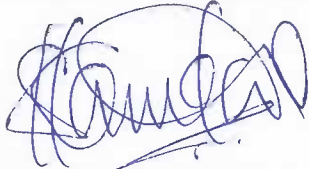
voting and by physical ballots at the 77th Annual General Meeting with their pattern of voting is as per Annexure annexed to this Report.

The results of the voting by members through remote e-voting and by physical ballots at the 77th 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



HIMANSHU S. KAMDAR
PARTNER
MEMBERSHIP NO. FCS 5171
COP NO. 3030



ANNEXURE

The summary of the votes casted through remote e-voting and by physical ballots received for each of the resolutions is given below:

1. **For Resolution No. 1:** as an Ordinary Resolution for adoption of the Audited Balance Sheet as at 31st March, 2018, 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	19	16,525
b.	Remote e-voting confirmations received	28	8,836,640
	Total	47	8,853,165
c.	Less: Invalid physical ballots/remote e-voting confirmation	1	39
d.	Net valid physical ballots/remote e-voting confirmations	46	8,853,126
	(i) Physical ballots/remote e-voting confirmations with assent for the Resolution	46	8,853,126
% of Assent			100
	(ii) Physical Ballots / Remote e-Voting confirmations with dissent for the Resolution	0	0
% of Dissent			0



For Resolution No.2: as an Ordinary Resolution for appointment of Mr. Mandar Ramesh Thakur (DIN: 05333792), who retired by rotation at Annual General Meeting 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	19	16,525
b.	Remote e-voting confirmations received	28	8,836,640
	Total	47	8,853,165
c.	Less: Invalid physical ballots/remote e-voting confirmation	1	39
d.	Net valid physical ballots/remote e-voting confirmations	46	8,853,126
	(i) Physical ballots/remote e-voting confirmations with assent for the Resolution	44	8,851,800
% of Assent			99.99
	(ii) Physical Ballots / Remote e-Voting confirmations with dissent for the Resolution	2	1,326
% of Dissent			0.01



For Resolution No. 3: as an Ordinary Resolution for appointment of Mr. Vinit Harish Thakkar (DIN: 08050943) as a Director, who shall be liable to retire by rotation.

Sr. No.	Particulars	Resolution 3	
		No. of Ballots / Remote E-Voting Confirmations	No. of Votes
a.	Votes casted through physical ballots	19	16,525
b.	Remote e-voting confirmations received	27	8,813,093
	Total	46	8,829,618
c.	Less: Invalid physical ballots/remote e-voting confirmation	1	39
d.	Net valid physical ballots/remote e-voting confirmations	45	8,829,579
	(i) Physical ballots/remote e-voting confirmations with assent for the Resolution	44	8,829,474
% of Assent			*100
	(ii) Physical Ballots / Remote e-Voting confirmations with dissent for the Resolution	1	105
% of Dissent			0

*Rounded off to nearest decimal



For Resolution No. 4: as an Ordinary Resolution for appointment of Mr. Sanujeet Bhujabal (DIN: 01915460), as a Director, who shall be liable to retire by rotation.

Sr. No.	Particulars	Resolution 4	
		No. of Ballots / Remote E-Voting Confirmations	No. of Votes
a.	Votes casted through physical ballots	19	16,525
b.	Remote e-voting confirmations received	27	8,813,093
	Total	46	8,829,618
c.	Less: Invalid physical ballots/remote e-voting confirmation	1	39
d.	Net valid physical ballots/remote e-voting confirmations	45	8,829,579
	(i) Physical ballots/remote e-voting confirmations with assent for the Resolution	44	8,820,725
% of Assent			99.90
	(ii) Physical Ballots / Remote e-Voting confirmations with dissent for the Resolution	1	8,854
% of Dissent			0.10



For Resolution No. 5: as an Ordinary Resolution for appointment of Mr. Ajit Kumar (DIN: 08105941), as a Director, who shall be liable to retire by rotation.

Sr. No.	Particulars	Resolution 5	
		No. of Ballots / Remote E-Voting Confirmations	No. of Votes
a.	Votes casted through physical ballots	19	16,525
b.	Remote e-voting confirmations received	27	8,813,093
	Total	46	8,829,618
c.	Less: Invalid physical ballots/remote e-voting confirmation	1	39
d.	Net valid physical ballots/remote e-voting confirmations	45	8,829,579
	(i) Physical ballots/remote e-voting confirmations with assent for the Resolution	43	8,820,620
% of Assent			99.90
	(ii) Physical Ballots / Remote e-Voting confirmations with dissent for the Resolution	2	8,959
% of Dissent			0.10



For Resolution No. 6: as an Ordinary Resolution for appointment of Mr. Bhushan Kumar Dua (DIN: 00126614), as a Director, who shall be 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	19	16,525
b.	Remote e-voting confirmations received	27	8,813,093
	Total	46	8,829,618
c.	Less: Invalid physical ballots/remote e-voting confirmation	1	39
d.	Net valid physical ballots/remote e-voting confirmations	45	8,829,579
	(i) Physical ballots/remote e-voting confirmations with assent for the Resolution	44	8,829,474
% of Assent			*100
	(ii) Physical Ballots / Remote e-Voting confirmations with dissent for the Resolution	1	105
% of Dissent			0.00

*Rounded off to nearest decimal.



For Resolution No. 7: as a Special Resolution for approval and adoption of new set of Articles of Association of the Company in substitution, and to the entire exclusion of the existing Articles of Association of the Company.

Sr. No.	Particulars	Resolution 7	
		No. of Ballots / Remote E-Voting Confirmations	No. of Votes
a.	Votes casted through physical ballots	19	16,525
b.	Remote e-voting confirmations received	28	8,836,640
	Total	47	8,853,165
c.	Less: Invalid physical ballots/remote e-voting confirmation	1	39
d.	Net valid physical ballots/remote e-voting confirmations	46	8,853,126
	(i) Physical ballots/remote e-voting confirmations with assent for the Resolution	46	8,853,126
% of Assent			100
	(ii) Physical Ballots / Remote e-Voting confirmations with dissent for the Resolution	0	0
% of Dissent			0



For Resolution No. 8: as an Ordinary Resolution for approval of Members' License fee Payment Mechanism – Basis & Methodology.

Sr. No.	Particulars	Resolution 7	
		No. of Ballots / Remote E-Voting Confirmations	No. of Votes
a.	Votes casted through physical ballots	19	16,525
b.	Remote e-voting confirmations received	28	8,836,640
	Total	47	8,853,165
c.	Less: Invalid physical ballots/remote e-voting confirmation	1	39
d.	Net valid physical ballots/remote e-voting confirmations	46	8,853,126
	(i) Physical ballots/remote e-voting confirmations with assent for the Resolution	45	8,851,905
% of Assent			99.99
	(ii) Physical Ballots / Remote e-Voting confirmations with dissent for the Resolution	1	1,221
% of Dissent			0.01





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 through remote e-voting and by physical ballots at 77th Annual General Meeting of Phonographic Performance Limited held on 26th September, 2018

In terms of Section 108 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, **Phonographic Performance Limited** ('the Company') provided remote e-voting facility and physical voting through Ballots to the Members vide Notice dated 28th August, 2018 of 77th Annual General Meeting ('77th AGM').

The Board had appointed M/s Rathi & Associates, Company Secretaries as Scrutinizer to scrutinize the voting processes for the 77th AGM of the Company.

The Scrutinizer considered voting done by members through remote e-voting during the period from 09.00 a.m. of Sunday, 23rd September, 2018 up to 5.00 p.m. of Tuesday, 25th September, 2018, being the dates fixed for remote e-voting. Further, to enable those members who could not vote through remote e-voting, physical Ballots were distributed at the 77th AGM held on 26th September, 2018.

Based on the Scrutinizer's Report dated 27th September, 2018 *I hereby declare that all the resolutions as set out in the Notice dated 28th August, 2018 of the 77th 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.	Adoption of the Audited Balance Sheet as at 31 st March, 2018, 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.	Appointment of Mr. Mandar Ramesh Thakur (DIN: 05333792), who retired by rotation at Annual General Meeting and being eligible, had offered himself for re-appointment	99.99	0.01	Ordinary
3.	Appointment of Mr. Vinit Harish Thakkar (DIN: 08050943) as a Director, who shall be liable to retire by rotation	*100	0.00	Ordinary
4.	Appointment of Mr. Sanujeet Bhujabal (DIN: 01915460), as a Director, who shall be liable to retire by rotation	99.90	0.10	Ordinary
5.	Appointment of Mr. Ajit Kumar (DIN: 08105941), as a Director, who shall be liable to retire by rotation	99.90	0.10	Ordinary



6.	Appointment of Mr. Bhushan Kumar Dua (DIN: 00126614), as a Director, who shall be liable to retire by rotation	100	0.00	Ordinary
7.	Adoption of new set of Articles of Association of the Company in substitution, and to the entire exclusion of the existing Articles of Association of the Company	100	0.00	Special
8.	Approval of Members' License fee Payment Mechanism – Basis & Methodology.	99.99	0.01	Ordinary

*Rounded off to nearest decimal.

The Scrutinizer's Report on the voting process conducted for the 77th AGM is annexed herewith.

For Phonographic Performance Limited



Mandar Thakur
Chairman
DIN: 05333792

Date: 27th September, 2018

Place: Mumbai

**[THE INDIAN COMPANIES ACTS, 1913-1936]
COMPANY LIMITED BY GUARANTEE
(AND NOT HAVING A SHARE CAPITAL)**

MEMORANDUM

AND

ARTICLE OF ASSOCIATION

OF

PHONOGRAPHIC PERFORMANCE LIMITED

Rec: 14/11-109

भारत सरकार-कॉर्पोरेट कार्य मंत्रालय
कम्पनी रजिस्ट्रार कार्यालय, महाराष्ट्र, मुंबई

कम्पनी अधिनियम, 1956 की धारा 18 (1) (क)

उद्देश्य-खंडों में परिवर्तन की पुष्टि हेतु विशेष विनिश्चय के पंजीकरण का प्रमाण-पत्र

कॉर्पोरेट पहचान संख्या : U74999MH1941GAP142271

भैसर्स PHONOGRAPHIC PERFORMANCE LIMITED

के अंशधारकों ने दिनांक 30/09/2009 को आयोजित की गई वार्षिक / असाधारण बैठक में एक विशेष विनिश्चय पारित करके कम्पनी अधिनियम, 1956 (1956 का 1) की धारा 18 (1) का अनुपालन करते हुए अपने संगम-ज्ञापन के प्रावधानों में परिवर्तन कर लिया है।

मैं, एतद्वारा सत्यापित करता हूँ कि उक्त विशेष विनिश्चय की प्रतिलिपि, यथा परिवर्तित संगम-ज्ञापन के साथ, आज पंजीकृत कर ली गई है।

मेरे हस्ताक्षर द्वारा मुंबई में यह प्रमाण-पत्र, आज दिनांक छब्बीस नवम्बर दो हजार नौ को जारी किया जाता है।

GOVERNMENT OF INDIA - MINISTRY OF CORPORATE AFFAIRS
Registrar of Companies, Maharashtra, Mumbai

SECTION 18(1)(A) OF THE COMPANIES ACT, 1956

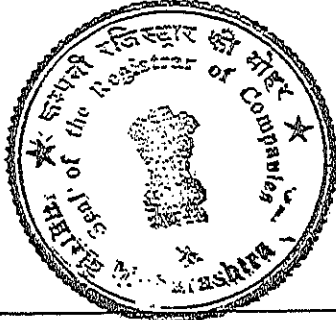
Certificate of Registration of the Special Resolution Confirming Alteration of Object Clause(s)

Corporate Identity Number : U74999MH1941GAP142271

The share holders of M/s PHONOGRAPHIC PERFORMANCE LIMITED having passed Special Resolution in the Annual/Extra Ordinary General Meeting held on 30/09/2009 altered the provisions of its Memorandum of Association with respect to its objects and complied with the Section (18)(1) of the Companies Act, 1956 (No. 1 of 1956).

I hereby certify that the said Special Resolution together with the copy of the Memorandum of Association as altered has this day been registered.

Given under my hand at Mumbai this Twenty Sixth day of November Two Thousand Nine.



(SHRIRAM MOTIRAM SAINDANE)

उप कम्पनी रजिस्ट्रार / Deputy Registrar of Companies
महाराष्ट्र, मुंबई
Maharashtra, Mumbai

कम्पनी रजिस्ट्रार के कार्यालय अभिलेख में उपलब्ध पत्राचार का पता :

Mailing Address as per record available in Registrar of Companies office:

PHONOGRAPHIC PERFORMANCE LIMITED
CRESCENT TOWERS, 7TH FLOOR, B/68, VEERA ESTATE, OFF NEW LIN K ROAD, ANDHERI WEST, MUMBAI,
MUMBAI -53 W.E.F.04/09/2004,
Maharashtra, INDIA

No. 11- 142271

(Section 18(1) of the Companies Act, 1956)

CERTIFICATE OF REGISTRATION OF
SPECIAL RESOLUTION PASSED FOR
ALTERATION OF OBJECTS

M/s. PHONOGRAPHIC PERFORMANCE LIMITED

having by Special Resolution passed on 28th September 04

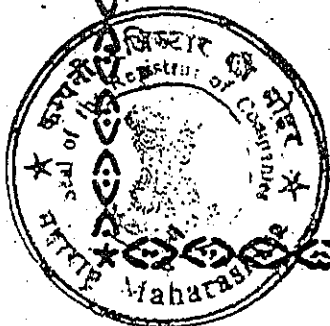
altered the provisions of its Memorandum of Association
with respect to its objects, and a copy of the said resolution
having been filed with this office on 22nd August 05

I hereby certify that the Special Resolution passed on 28/09/04
together with the printed copy of the Memorandum of
Association, as altered, has this days been registered.

Given under my hand at MUMBAI

this 24th day of AUGUST 2005

~~One thousand Nine hundred ninety~~ XXX



M.R. Bhat
DY. (M.R. BHAT)

~~ASSTT/ADD~~ REGISTRAR OF COMPANIES,
MAHARASHTRA, MUMBAI.

No. U 74999 MH 2003 PLC 142271.

[Section 18(3) of the Companies Act, 1956.]

**CERTIFICATE OF REGISTRATION OF THE ORDER OF COMPANY
LAW BOARD CONFIRMING TRANSFER OF THE REGISTERED
OFFICE FROM ONE STATE TO ANOTHER**

The PHONOGRAPHIC PERFORMANCE LIMITED having by special resolution altered the provisions of its Memorandum of Association with respect to the place of the registered office by changing it from the State of West Bengal to the State of Maharashtra and such alteration having been confirmed by an order of the Company Law Board, Eastern Region Bench, Kolkata bearing date the 31st day of January, 2003.

I hereby certify that a certified copy of the said order has this day been registered.

Given under my hand at Mumbai this Eighteenth day of September, 2003.




(C.V. SAJEEVAN)
ASSTT. REGISTRAR OF COMPANIES,
MAHARASHTRA, MUMBAI.



नाम में तब्दीली के परिणामस्वरूप निगमन के लिए नया प्रमाण-पत्र
FRESH CERTIFICATE OF INCORPORATION CONSEQUENT
ON CHANGE OF NAME

CONO - 21-10507

कम्पनियों के रजिष्ट्रार के कार्यालय में.....
[कम्पनी अधिनियम, 1956 (1956 का 1) के अधीन]
In the Office of the Registrar of Companies, West Bengal.
[Under the Companies Act, 1956 (1 of 1956)]

..... के विषय में ।

IN THE MATTER OF * Phonographic Performance Private Limited.

मैं एतद्वारा प्रमाणित करतर हूँ कि.....परिसीमित जिसका निगमन मुलतः 19.....के.....के.....दिन इस
†..... अधिनियम के अधीन और..... परिसीमित नाम द्वारा किया गया था कम्पनी अधिनियम 1956 की धारा
21/22(1) (क)/22(1) (ख) के निर्वन्धनोंके अनुसार आवश्यक संकल्प पारित कर चुकी है और इसकी बावत केन्द्रीय सरकार की लिखित अनुमतिकम्पनी
कार्य विभाग प्रदान कर दी गई है ।

I hereby certify that ..Phonographic Performance Pvt. Limited.. which was originally incorporated on ...24th....
day of ..April.... 19.41 under the Companies Act, 1913 and under the name ..Phonographic Performance
..(Eastern)....Limited having duly passed the necessary Spl. resolution passed on 1-3-96 in terms of section
21/22(1)(a)/22(1)(b)/31/44(1)(2)(b) of Companies Act, 1956, and the approval of the Central Government signified
in writing having been accorded thereto in the Department of Company Affairs.

क्षेत्रीय निदेशक के तारीख.....19..... के पत्र संख्या.....द्वारा प्राप्त हो जाने पर उक्त कम्पनी का
नाम इस दिन..... परिसीमित में तब्दील कर दिया गया है और यह प्रमाण पत्र उक्त अधिनियम की धारा 23(1) के
अनुसरण में जारी किया जाता है ।

Regional Director Letter No. dated '49.....

The name of the said company is this day changed to Phonographic Performance Limited
Limited and this certificate is issued pursuant to section 23(1) of the said Act,

मेरे हस्ताक्षर से यह ताहीख.....

को दिया गया ।

Given under my hand at Calcutta... this day of .27.6.19.96..

(One thousand nine hundred Ninety Six)



Sd/-
(G. Mukhopadhyay)
कम्पनियों का रजिष्ट्रार
Asstt. Registrar of Companies

- * यहाँ पर कम्पनी का वह नाम लिखिए जो कि तब्दीली से पूर्व था ।
* Here give the name of the Company as existing prior to the change.
† यहाँ पर अधिनियम (अधिनियमों का नाम लिखिए जिनके अधीन कम्पनी का मुलतः रजिष्ट्रोकरण और निगमन किया गया था ।
† Here give the name of the Act(s) under which the Company was originally registered and incorporated.
जे एस सी-7
J.S.C. - 7



Registration No.:— 10507

नाम में तब्दीली के परिणामस्वरूप निगमन के लिए नया प्रमाण-पत्र
**FRESH CERTIFICATE OF INCORPORATION CONSEQUENT
 ON CHANGE OF NAME**

कम्पनियों के रजिस्ट्रार के कार्यालय में
 [कम्पनी अधिनियम, 1956 (1956 का 1) के अधीन]
 In the Office of the Registrar of Companies West Bengal.....
 [Under the Companies Act, 1956 (1 of 1956)]

के विषय में ।
 IN THE MATTER OF * Phonographic Performance (Eastern) Private Ltd.
 5, Old Court House Street, Calcutta - 1.
 मैं एतद्वारा प्रमाणित करता हूँ कि..... परिसीमित जिसका निगमन मूलतः 19.....के.....के.....दिन
 हम..... अधिनियम के अधीन और..... परिसीमित नाम द्वारा किया गया था, कम्पनी अधिनियम 1956 की धारा
 21/22(1) (क)/22(1) (ख) के निबन्धनों के अनुसार आवश्यक संकल्प पारित कर चुकी है और इसकी बाबत केन्द्रीय सरकार की लिखित अनुमति
 कम्पनी कार्य विभाग द्वारा प्रदान कर दी गई है ।

I hereby certify that Phonographic Performance (Eastern) Private Limited, which was originally Incorporated
 on 24th April day of 1941 under the Indian Companies Act, 1913 and under the name Phonographic Performance
 (Eastern) Private Limited having duly passed the necessary resolution in terms of section 21 of Companies
 Act, 1956, and the approval of the Central Government signified in writing having been accorded thereto in
 the Department of Company Affairs.

क्षेत्रीय निदेशक के तारीख.....19.....के पत्र सं०.....द्वारा प्राप्त हो जाने पर उक्त कम्पनी का नाम
 इस दिन..... परिसीमित में तब्दील कर दिया गया है और यह प्रमाण-पत्र उक्त अधिनियम की धारा 23(1) के अनुसरण
 में जारी किया जाता है ।

Regional Director Eastern Region letter No. RD/T/7065 dated 7th September 1982 the name of the said
 company is this day changed to Phonographic Performance Private Limited and this certificate is issued pursuant
 to section 23 (1) of the said Act.

मेरे हस्ताक्षर से यह तारीख.....
 को दिया गया ।

Given under my hand at Calcutta this day of 22nd September, 1982
 (One thousand nine hundred and Eighty Two).



Sd/- S. K. BHATTACHARJEE
 कम्पनियों का रजिस्ट्रार
 Asstt. Registrar of Companies,
 West Bengal

* यहां पर कम्पनी का वह नाम लिखिए जो कि तब्दीली से पूर्व था ।

* Here give the name of the Company as existing prior to the change.

† यहां पर अधिनियम (अधिनिगमों) का नाम लिखिए जिनके अधीन कम्पनी का मूलतः रजिष्ट्रेशन और निगमन किया गया था ।

† Here give the name of the Act(s) under which the Company was originally registered and incorporated.

जे. एस. सी. — 7

J.S.C. — 7

प्रभासमुटेक — 396-19 जनरल एडमिन 76 - 77 — मासमुटेक — (सी-407) — 26-8-76 — 10,000

MCIPTC — 396-19 Genl. Adm./76-77 — GIPTC — (C-407) — 26-8-76 — 10,000

SECOND

CERTIFICATE OF INCORPORATION

Co. No. 10507

I HEREBY CERTIFY that PHONOGRAPHIC PERFORMANCE (EASTERN) LIMITED, was incorporated on Twenty-fourth day of April, One thousand nine hundred and forty-one under the Indian Companies Act, VII of 1913 and that the Company is LIMITED.

The word 'PRIVATE' was added after the word 'Eastern' by virtue of Section 24 of the Companies Act, 1956 by the Asstt. Registrar of Companies, West Bengal on 18. 7. 1957.

Issued at Calcutta this fourth day of February, One thousand nine hundred and seventy two.



Sd./- A. K. GUHA.
Asstt. Registrar of Companies
WEST BENGAL.

CERTIFICATE OF INCORPORATION

No. 89 of 1941-1942

I HEREBY CERTIFY that PHONOGRAPHIC PERFORMANCE (EASTERN), LIMITED, is this day incorporated under the Indian Companies' Act, VII of 1913, and that the Company is Limited.

Given under my hand at Calcutta this Twenty-fourth day of April One thousand nine hundred and forty-one.



K. C. DUTTA.
Asstt. Registrar of Joint Stock Companies,
BENGAL

THE INDIAN COMPANIES ACT, 1956

[THE INDIAN COMPANIES ACTS, 1913-1936]

COMPANY LIMITED BY GUARANTEE

(AND NOT HAVING A SHARE CAPITAL)

**MEMORANDUM OF ASSOCIATION
OF
PHONOGRAPHIC PERFORMANCE LIMITED**

- * 1. The name of the Company (which is hereinafter called "the Company") is "PHONOGRAPHIC PERFORMANCE LIMITED".
- ** 2. The registered office of the Company will be situated in MAHARASHTRA.
3. The objects for which the Company is established are –
- ## (a) THE MAIN OBJECT TO BE PURSUED BY THE COMPANY: To carry on and deal with the business, in India and abroad, of issuing or granting licenses in respect of sound recording works; and all other activities ancillary or incidental thereto.
- *** (b) To purchase from manufacturers of records and/or the owners of or being otherwise entitled to the benefit of or interest in the copyrights in such records hereinafter called the "Proprietors" all or any of the rights or remedies of the proprietors by virtue of the Copyright Act, 1957 and to exercise and enforce such rights and remedies in the Company's name.
- *** (c) To obtain from the proprietors such assignments, assurances, powers of attorney or other authorities or instruments as may be deemed necessary or expedient for enabling the company to acquire all or any part of the legal estate in the copyrights of such records after payment to the proprietors such fees as may be agreed upon between the Company and the proprietors and to exercise and enforce in its own name or otherwise all such rights and remedies as aforesaid and to execute and do all such assurance, agreements and other instruments and acts as may be deemed necessary or expedient for the purpose of the exercise or enforcement by the Company of such rights and remedies as aforesaid.
- **** (ac) To protect, safeguard, and defend the copyrights and intellectual property rights in sound recordings to the extent they are administered by the Company, through enforcement, litigation, anti-piracy action, education, coordination with government agencies and other expedient measures, against illegal usage and infringement, and, for this purpose, to be a member and/or affiliate of copyright enforcement or anti-piracy institutions.

* *As altered by the Special Resolution passed by the Company at the General meeting held on 01/03/1996 and a fresh certificate of incorporation to that effect issued by the Central Government i.e., The Registrar of Companies, West Bengal under his hand on 27/06/1996.*

** *As altered by the Special Resolution passed by the Company at the General meeting held on 04/05/2001 and approved by the Company Law Board, Eastern Region Bench by its Order dated 31st January, 2003.*

*** *As altered by the Special Resolution passed by the Company at the General meeting held on 02/03/1982 and approved by the Company Law Board, Eastern Region Bench by its Order dated 08th December, 1983.*

**** *Inserted vide Special Resolution passed at the Annual General Meeting of the Shareholders of the Company held at Mumbai on 30/09/2009*

As altered by the Special Resolution passed by the Company at the Extra-ordinary General body meeting held at Mumbai on 09/05/2013.

- (d) To make from time to time alter or vary any rules for regulating (1) the method and proportions by and in which and the times at which the net moneys received by the Company in respect of the Public performance of any such records as aforesaid shall be divided and apportioned among the members of the Company; (2) the administration of the property or business of the Company and any matters incidental thereto.
- (e) To distribute the net moneys received by the Company in the exercise of the foregoing powers after making provision thereout for the expenses and liabilities of the Company incurred in such exercise or in otherwise carrying out the purposes and operations of the Company, and for any contributions or payments for any of the purposes specified in the next following subclause hereof, amongst the members of the Company entitled thereto in accordance with the rules for the time being in force with respect to the distribution thereof.
- (f) To grant gratuities, donations, pensions and emoluments to any person at any' time in the employment of the Company, or engaged in any business acquired by the Company, and the wives, widows, families and dependants of any such persons, and establish and support or aid in the establishment and support of any charitable or benevolent associations or institutions, and to subscribe or guarantee money for charitable or benevolent purposes in any way connected with the purpose of the Company or calculated to further its objects.
- (g) To carry on any business which may seem to the Company capable of being conveniently carried on in connection with the above objects or calculated, directly or indirectly* to enhance the value of or render profitable any of the property or rights of the Company or the proprietors.
- (h) To acquire or undertake the whole or any part of the business, property or liabilities of any person, firm, association or company carrying on any undertaking or business which the Company is authorized to carry on or possessed of property suitable for the purposes of the Company.
- (i) To enter into partnership or into any arrangement for sharing profits, union of interests, co-operation, joint adventure, reciprocal concession or otherwise with any person, firm, association or company carrying on or engaged in or about to carry on or engage in any business or transaction which this Company is authorized to carry on or engage in or any business or transaction capable of being conducted so as directly or indirectly to benefit this Company, and to amalgamate with or become affiliated to any such association or company, and to lend money to, guarantee the contracts of or otherwise assist any such person, association or company and to take or otherwise acquire shares and securities of any such company, and to sell, hold, re-issue, with or without guarantee, or otherwise deal with the same.
- (j) To take or otherwise acquire and hold shares in any other company having objects altogether or in part similar to those of this Company or carrying on any business capable of being conducted so as directly or indirectly to benefit this Company.
- (k) To promote any company or companies for the purpose of acquiring all or any of the property and liabilities of this Company, or for any other purpose which may seem directly or indirectly calculated to the benefit this Company.
- (l) To purchase, take on lease, or in exchange, hire or otherwise acquire any real and personal property and any rights of privileges which the Company may think necessary or convenient for the purposes of its undertaking or business, and to construct, maintain and alter any buildings or erections necessary or convenient for the work of the Company.

- (m) To invest and deal with the moneys of the Company not immediately required in such manner as may from time to time be determined.
 - (n) To borrow or raise or secure the payment of money in such manner as the Company shall think fit, and in particular by the issue of debentures or debenture stock, perpetual or otherwise, charged upon all or any of the Company's property (both present and future) and to purchase, redeem or pay off any such securities.
 - (o) To remunerate any person or company for services rendered or to be rendered in placing or guaranteeing the placing of any debentures, debentures stock or other securities of the Company or in or about the formation or promotion of the Company, or the conduct of its business.
 - (p) To draw, make, accept, indorse, discount, execute and issue promissory notes, bills of exchange, debentures and other negotiable or transferable instruments.
 - (q) To sell or dispose of the undertaking of the Company or any part thereof for such consideration as the Company may think fit, and in particular for shares, debentures or securities of any other company having objects altogether or in part similar to those of this Company.
 - (r) To adopt such means of making known the operations of the Company as may seem expedient, and in particular by advertising in the press, by circulars, by publication of books and periodicals.
 - (s) To procure the Company to be registered or recognized in any foreign country or place.
 - (t) To sell, improve, manage, develop, exchange, lease, mortgage, dispose of, turn to account or otherwise deal with all or any part of the property and rights of the Company.
 - (u) To appoint any agent or agents for the collection and recovery of any moneys receivable by the Company in the exercise of its powers or otherwise for the purpose of the exercise of any of such powers.
 - (v) To do all or any of the above things in any part of India, Burma, Ceylon, Federated Malay States and Straits Settlements or elsewhere abroad, and as principals, agents, contractors, trustees, or otherwise, and by or through trustees, agents or otherwise, and either alone or in conjunction with others.
 - (w) To do all such other things as are incidental or the Company may think conducive to the attainment of the above objects or any of them.
- §# (x) To carry on business in India and abroad of collectively administering any Copyright, within the meaning of the word "Copyright", as mentioned in the Copyright Act, 1957, as amended from time to time.

4. The liability of the members is limited.

5. Every member undertakes to contribute to the assets of the Company in the event of the same being wound up during the time that he is a member or within one year afterwards for the payment of the debts and liabilities of the Company; contracted before the time at which he ceases to be member and of the costs, charges and expenses of winding up the same, and for the adjustment of the rights of the contributories among themselves such amount as may be required not exceeding Rs. 25.

§# *As altered by the Special Resolution passed by the Company in Annual General meeting held on 20/09/2004 and Certificate of Registration of Special Resolution passed for alteration of the objects filed with Registrar of Companies on 22/08/2005 and Certificate of Registration of Special Resolution given by Registrar of Companies on 24/08/2005. Further re-numbered by the Special Resolution passed by the Company at the Extra-ordinary General meeting held at Mumbai on 09/05/2013.*

We, the several persons whose names and address are subscribed, are desirous of being formed into a Company in pursuance of this Memorandum of Association.

Names, addresses and descriptions of subscribers

COLUMBIA GRAMOPHONE COMPANY LIMITED,
29, Waterloo Street, Calcutta,
by L.A. Wright,
Its duly constituted attorney

THE PARLOPHONE COMPANY LIMITED,
Blyth Road, Hayes,
Middlesex, England,
By L.A. Wright,
Its duly constituted attorney.

THE DECCA RECORD COMPANY LIMITED,
Burlington Road, New Maiden,
Surrey, England,
By L.A. Wright,
Its duly constituted attorney.

THE GRAMOPHONE COMPANY LIMITED,
33, Jessore Road, Dum Dum,
by A. Forbes,
Its duly constituted attorney.

THE TWIN RECORD COMPANY,
33, Jessore Road, Dum Dum,
by A. Forbes,
Its duly constituted attorney.

Dated this 19th Day of April, 1941.
WITNESS to the above signatures :-

R.H. Blakeway,
Solicitor,
Calcutta.

(These Articles of Association have been adopted in substitution of the old Articles of Association vide Special Resolution passed at the 77th Annual General Meeting of the Members of the Company held on September 26, 2018)

THE COMPANIES ACT, 2013

ARTICLES OF ASSOCIATION

OF

PHONOGRAPHIC PERFORMANCE LIMITED

1. PRELIMINARY

Except as otherwise provided herein, the Company shall be governed by the relevant provisions of the Companies Act 2013 and Rules framed thereunder, as amended and/or substituted from time to time. Except as modified or altered by the following Articles, the Regulations contained in Table H of Schedule I annexed to the Companies Act, 2013 shall be deemed to be incorporated with these and to apply to this Company, in so far as they are applicable to a company without share capital and limited by guarantee and save in so far as they are expressly or by implication excluded or modified by the following Articles.

2. Interpretation Clause

2.1 Unless the context otherwise requires, words or expressions contained in these Articles, shall have the same meaning as in the Companies Act, 2013 *and Copyright Act, 1957 and the Copyright Rules, 2013* or any statutory modification thereof in force at the date at which these Articles become binding on the Company.

2.2 The Headings hereto shall not affect the construction hereof and in these presents, unless there is something in the subject or context inconsistent therewith.

2.3 In Writing or Written: "In Writing" and "Written" includes printing, lithography and other modes of representing or reproducing the words in a visible form. Words importing the masculine gender also include the feminine gender and the Words importing the singular number include, where the context admits or requires, the plural number and vice-versa.

3. DEFINITIONS

In these Articles, the following terms used shall have the meanings assigned against them:

3.1 "**The Act**" means the Companies Act, 2013 read with the rules, as amended from time to time or such other act or legislation as may be promulgated by the Central Government in total exclusion and substitution of the present Companies Act;

3.2 "**Articles/ These Articles**" means these Articles of Association as originally framed or as altered from time to time by a Special Resolution";

3.3 "**Administrative Expenses**" means all the expenses incurred by the Company for and in respect of the functioning of the Company, protecting the rights of the Company and its Members, including all legal/litigation and anti-piracy expenses incurred by the Company towards the same; and shall include provisions and accruals;

3.4 "**Board**" means the Board of Directors of the Company duly constituted, consisting of Directors collectively and any committee or sub-committee constituted thereof, or the

- requisite number of Directors entitled to pass circular resolution in accordance with the Articles;
- 3.5 “Chief Executive Officer” means the chief executive officer and/or Managing Director or Whole Time Director, by whatever name called, who is in charge of the daily operation and administration of the Company. The Chief Executive Officer and/or Managing Director shall act in accordance with these Articles and need not be a nominee of any member;
- 3.6 "**Company**" means PHONOGRAPHIC PERFORMANCE LIMITED duly registered under the Act;
- 3.7 "**Copyright**" shall have the same meaning as provided for in the Copyright Act, 1957 as amended in 2012 and as amended from time to time;
- 3.8 “**Copyright Rules**” means Copyright Rules 2013 and as amended from time to time;
- 3.9 "**India**" means the territory of India and shall comprise—
(a) The territories of the States (as defined under the Constitution of India and shall include any amendments made thereof from time to time);
(b) The Union territories specified in the First Schedule of the Constitution of India (as maybe amended from time to time); and
(c) Such other territories as may be acquired and brought within the purview of the Constitution of India;
- 3.10 “**Members’ Directive/Mandate**” means any such form of agreement as may be prescribed by the Board of Directors from time to time relating to the assignment and/or exclusive license by the Member to the Company of the sound recording works for the purpose referred therein;
- 3.11 “**Regional Work**” shall mean all works created in the regional languages save and except Hindi and foreign language;
- 3.12 “**Registered Works**” means the Works registered by the Members with the Company, at their responsibility;
- 3.13 “**Sound Recording Work**” shall mean a recording of sounds from which such sounds may be produced regardless of the medium on which such recording is made or the method by which the sounds are produced and which shall include, inter alia, vocal song, soundtrack, dialogue, background score, instrumental music, etc. and derivatives, extracts, variations etc. thereof;
- 3.14 “**Work**” shall have the same meaning as provided for in the Copyright Act and as classified into International, Film National, Film Regional, Non-Film National, Non-Film Regional depending upon the type of the Work;
- 3.15 “**International Work**” means foreign work published in India or work assigned to a company in India;
- 3.16 “**National Work**” all works in Hindi language;
- 3.17 “**Regional Work**” all works created in scheduled languages except the National language viz. Hindi;
- 3.18 “**Units of Work**” units shall be assigned as under to the works of Members registered with the Company:-
- 3.19 “**Distribution**” means any distribution which may, pursuant to the Memorandum of Association, Articles of Association and the Rules made thereunder of the Company, be made amongst the Members and affiliated societies out of the monies received by the

Company in respect of the exercise of the rights, license or authority granted by them to the Company and “distributed” and “distributable” having corresponding meanings;

3.20 “**Distribution Scheme**” shall mean the scheme of Distribution mentioned in the Copyright Act, 1957 and Copyright Rules, 2013 and as contained and framed pursuant to these Articles and the Rules made thereunder.

3.21 Words importing the singular number only shall include the plural number and vice versa.

3.22 Words importing the masculine gender only shall include the feminine gender and vice versa.

4. First Members

The first members of the Company are:

- a. COLUMBIA GRAMOPHONE COMPANY LIMITED.
- b. THE PARLOPHONE COMPANY LIMITED.
- c. THE DECCA RECORD COMPANY LIMITED.
- d. THE GRAMOPHONE COMPANY LIMITED.
- e. THE TWIN RECORD COMPANY.

5. First Directors

The following are the first directors and they will constitute the first Board of Directors of the Company:

- a. MR. B. MENON
- b. MR. V.P. AGHORAM
- c. MR. C.C. SAHA
- d. MR. B. SEN
- e. MR. A.C. SEN

6. MEMBERSHIP

The Members of the Company are:

6.1 The original subscribers to the Memorandum and Articles of Association; and

6.2 Any existing member who, on the date of the approval of the revised Articles of Association, is a copyright owner of Sound Recording Works and who has executed the appropriate assignment and other documentation as prescribed by the Company, and has been admitted and enrolled by the Company as Member; and

6.3 Any person/entity admitted as a Member pursuant to these Articles.

7. Eligibility of Membership

7.1 Any individual, firm, association, institution or a body corporate incorporated under any law or regulation for the time being in force and who are the owners of Published Sound Recording Works in India and abroad and having place of business in India and bring references from 2 (Two) existing members of the Company may apply to become a member of the Company.

7.2 For this purpose, having the exclusive license and/or being an authorized agent, together with the right to sub-license and enforcement & litigation rights, may be considered as ownership if supported by proper and legal documentation.

7.3 The Applicant must mandate/assign to the Company the rights in respect of at least one (1)

out of any of the following usages, namely:

- a) Public performance, and/or
- b) Radio, including Private FM radio broadcasts, All India Radio (AIR) and Community radio, simulcasting.

8. Admission of Membership

- 8.1 Every application for membership shall be made in writing in such form as may from time to time be prescribed by the Company and shall be lodged at the office along with fulfillment of the below criteria: a) At least 1 out of the categories of rights to be mandated /assigned;
- b) Have published sound recordings; and
 - c) Reference/recommendation from an existing member.
- 8.2 The applicant shall provide complete track-wise details of the rights owned by him in the prescribed format, alongwith supporting documentation and papers, and shall also indemnify the Company against any action arising out of any claim made by any third party on the rights represented by the applicant. The application shall also be accompanied by the prescribed assignment or exclusive license agreement and other documentation, as prescribed, duly signed by the proprietor/managing partner/managing director as the case may be of applicant. The applicant shall agree to abide by the rules and regulations applicable to Members. Applicant shall make available his repertoire, past, present and future and shall not seek to place any undue or unacceptable restrictions or limitations in respect of his repertoire.
- 8.3 On the admission of an entity as a member, the Company may issue to the member concerned a certificate in writing stating that he has been so admitted; such certificate shall be in such form as the Company may from time to time prescribe.
- 8.4 Persons eligible under Article 7.3 and applying for membership need to submit in writing at the time of application, the necessary documents proving legal heirship as prescribed by the Company from time to time and in case there are more than one (1) legal heirs, an authorization letter together with instructions, if any, would need to be submitted to the Company, duly signed by all the legal heirs intimating to the Board the person so authorized amongst themselves to represent the legal heirs in the Company and attend and vote at any General Meetings of the Company and the person so authorized shall be entitled to exercise the same powers on behalf of all the heirs which he represents, as if all the heirs could exercise they were individual Members of the Company. The legal heirs are entitled to change such authorization not more than once in a fiscal year unless circumstances so demand and as approved by the Board. The legal heirs need to intimate the Company of such a change promptly.
- 8.5 The following would be the nominees in respect of following type of members:
- 8.5.1 In case of body corporate or LLP - the Managing Director or senior officer of the company;
 - 8.5.2 In case of Proprietorship concern - the proprietor;
 - 8.5.3 In case of a Partnership firm - managing partner or any other partner of the firm as may be appointed by the firm.
- Provided that, any person being so nominated shall be appointed as nominee with proper authority of the body corporate or of sole proprietor or the partnership firm so appointing him.
- 8.6 No Member shall be at liberty to transfer his membership or any rights or privileges attached to such membership to any other person without the consent of the Company.

- 8.7 On the death of a nominated person, in case of a body corporate, his membership of the company shall be transmitted to any other person appointed as a new nominee with proper authority of the Board of Directors of the member company.
- 8.8 On the death of a nominated person, in case of a partnership firm, his membership of the Company shall be transmitted to any other partner appointed as a new nominee with proper authority of the Firm of the member company.
- 8.9 On the death of a nominated person, in case of an individual, his membership of the Company shall be transmitted to any other legal heir appointed or approved by the Board.
- 8.10 On the insolvency of a member his membership of the Company shall be transmitted to any other person appointed as a new nominee by the concerned appropriate authority.

9. Class of Members & Privileges and Obligations of Members

- 9.1 There shall be only one class of members and the Company shall be authorized to collectively manage the following categories of rights, namely, the rights for:
- 9.1.1 Public performance; and/or
- 9.1.2 Radio including Private FM radio broadcasts, All India Radio (AIR) and community radio, simulcasting and webcasting.
- 9.2 Any other category of rights that is offered by Members to the Company at a later date shall be either merged into any of the above categories or an additional category shall be created by the Board.
- 9.3 Every Member whose name is included in the Register of Members as a member on the date of registration of the Company shall ipso facto become a member of the Company and shall be entitled to all the benefits under and shall be bound by these Articles, so long as he continues to be a member.
- 9.4 Each Member shall notify the Company of any change of address and/or ownership. In the event of non-communication, the Company shall continue to communicate to the member at the old address and any royalty generated shall also be sent to the same address and in the event that the net royalty accrued to such member remains unclaimed for 3 years, the member's right to receive such net royalty for that period shall be forfeited and the amount due shall be transferred to General Reserve.
- 9.5 Every member shall be entitled to:
- 9.5.1 Receive notice of General Meetings, a copy of the annual audited accounts, auditor's report, and report of the Board to the members;
- 9.5.2 Vote at all General Meetings on any matter referred to the General Body of Members by circular as per his voting share;
- 9.5.3 Be elected as an office-bearer of the Company, subject to the terms and conditions therefor; and
- 9.5.4 All such facilities and services as may be decided by the Board from time to time.

10. Cessation of Membership

- 10.1 A Member shall, ipso facto, cease to be a Member —**

- 10.1.1 If such member withdraws from the membership of the Company;
- 10.1.2 If, being a body corporate, a resolution is passed for its winding up or an order for its winding up is passed by a Court of Competent Jurisdiction; or
- 10.1.3 If, being an individual member, he is adjudged to be insolvent or of unsound mind; or
- 10.1.4 If, on the date of adoption of these Articles or any time thereafter, the Member a non-resident with no place of business in India; or
- 10.1.5 If such member is expelled from the Company under the next succeeding sub clause.

10.2 If any Member -

- 10.2.1 Shall refuse or neglect or shall fail to comply, with any of the provisions of the Memorandum and Articles of Association or any bye-laws, rules or regulations of the Company or
- 10.2.2 Shall be guilty of such conduct as the Board considers likely to endanger the harmony or affect the character or stability or interest of the Company or
- 10.2.3 Does not cooperate with such KYC and/or due-diligence checks and verifications as may be laid down by the Board from time to time or
- 10.2.4 Fails under such KYC and/or due-diligence checks and verifications as may be laid down by the Board from time to time, or
- 10.2.5 Harasses the Company or its officers with mischief or mala fide, or
- 10.2.6 Acts or causes or induces others to act, contrary or detrimental to the interest or prejudice of the Company or
- 10.2.7 Spreads false information, innuendo and propaganda against the Company or its officers,

And if the Board is at any time of the opinion that in the interests of the Company or that it is not desirable to continue the membership of any person or body corporate, then, the Company shall issue a Show Cause Notice in writing giving an opportunity to the member concerned to show cause within 14 days as to why his membership should not be terminated. On receipt of such notice by the Member concerned, he/she/it should show cause why his membership should not be terminated and his/her/its explanation shall be taken in to consideration by the Company, and such report shall be prepared in accordance thereof, The Board shall constitute a Disciplinary committee, to administer the powers of termination under this clause and the Disciplinary Committee shall submit its report on each case for the consideration of the Board and the decision shall be final. The Board shall consider such report submitted, and pass a resolution by majority terminating the membership of the Member concerned.

- 10.3 A Member shall be free to terminate the assignment or any other arrangement with the Company in case the Company fails to fulfill its material commitments, named and identified as such in the agreement(s) entered into between the Member and the Company, and fails to rectify the same within forty five (45) days after written notice, supported by complete documentation, from the Member of the alleged failure of non-fulfillment of material commitments to the Company. Upon termination of the agreements, the licenses granted therein by the Company to third parties/users till the date of termination of

agreement shall be deemed to be valid for the duration of the licensed term.

- 10.4 A Member ceasing to be a Member under any of the provisions of Article 10 shall be so informed and the Company shall cease to administer his repertoire within sixty (60) days of such notice. All the accrued royalties of the Member, if any, shall be paid to him in accordance with the distribution scheme in force at that time.
- 10.5 A person ceasing to be a Member under any of the provisions of this Article shall forfeit all rights to and claims on the Company and its property and funds, but he shall nevertheless remain liable for and shall pay to the Company all moneys which at the time of his ceasing to be a Member may be due to the Company from such person.
- 10.6 If any proceedings have been instituted by or against the Company in respect of a member's works, either in the name of the Company or of the Member, and such Member ceases to be a Member during the pendency of the proceedings, any rights which are the subject of such proceedings and which had been so vested in the Company by such member or are controlled by the Company by virtue of his membership, shall remain so vested or controlled until such proceedings are finally disposed of.

11. Register of Members

The Company shall duly keep and maintain a Register of Members in accordance with the provisions of Section 88 of the Act containing names of individual members and of individuals who may be representing, for the time being, any member or members of the Company, being an association, institution, firm or limited company. Subject to the provisions of Article 8 hereof, a partnership firm may nominate any of its partners, a limited company may nominate any of its Directors or senior executives and an institution/Association may nominate any of its office bearers or any member of its board to be its representative. All changes in the name representatives, individual members and their addresses, etc. shall be notified in writing.

12. Distributions

- 12.1 The monies distributed shall be in accordance to any distribution scheme as approved by Members in General Meeting.
- 12.2 Subject to the provisions of the Copyright Act, 1957 as amended from time to time, all license fee/royalty monies received by the Company shall be distributed amongst the Members and any other persons so entitled in such shares and proportions as the Board may from time to time determine in accordance with the distribution scheme as approved by Members in the General Meeting, at regular intervals, after the discharge of all Administrative Expenses and as otherwise provided for in these Articles.
- 12.3 The Board, on the recommendation of the Chief Executive Officer and/or Managing Director and/or on its own, may before recommending any distribution as aforesaid, set aside out of its receipts such sums as it thinks proper as a reserve fund to meet contingencies, or for future distribution, or for repairing, improving and maintaining any of the property or premises of the Company, or for such other purposes as it shall in its absolute discretion think necessary or conducive to the interests of the Company, and may invest the sums so set aside in such investments as they may think fit and from time to time deal with or vary such investments and dispose of all or any part for the benefit of the Company.

13. GENERAL MEETINGS

13.1 Annual General Meetings

The Company shall in each year hold a General Meeting as its Annual General Meeting, in accordance with the relevant provisions of the Act which shall be held at such time and

place as the Board shall determine.

13.2 Extraordinary General Meetings

A General Meeting other than the Annual General Meeting shall be called an Extraordinary General Meeting (EGM). The Board may, whenever it deems necessary, convene an EGM and shall be held at such time and place as the Board shall determine. The EGM can also be convened on a requisition, or in default, may be convened by such requisition, as prescribed under the provisions of the Act.

13.3 Notice of General Meetings

An Annual General Meeting or an Extra-ordinary General Meeting shall be called by giving twenty-one (21) clear days' notice in writing or if required by shorter notice in accordance with the provisions of the Act.

13.4 Accidental omission of Notice

The accidental omission to give notice of a meeting to or the non-receipt of notice of a meeting by any Member entitled to receive notice shall not invalidate the proceedings at that meeting.

13.5 Business of General Meetings

13.5.1 The following ordinary business shall be transacted at every Annual General Meeting:

13.5.1.1 Consideration of the accounts and balance sheet and the report of the auditors thereon;

13.5.1.2 The reports of the Board; and

13.5.1.3 Appointment and fixing of the remuneration of the auditors.

13.5.2 Over and above the items as provided under the Act requiring a special resolution, the following items ("Reserved Items") shall be required to be passed as a special resolution at the AGM/EGM:

13.5.2.1 Election of Directors;

13.5.2.2 Tariff Scheme (setting out the nature and quantum of royalties proposed to be collected);

13.5.2.3 Distribution Scheme (setting out the procedure for distribution of collected royalties); and

13.5.2.4 Amendment, alteration or substitution of Memorandum of Association and/or Articles of Association.

13.5.3. Further, for the above mentioned Reserved Items shall also require the prior approval of 3/4th majority of the Board.

13.5.4. All business that is transacted at an Extraordinary General Meeting shall be deemed to be special business

13.6 Quorum

No business shall be transacted at any General Meeting unless a quorum of Members is present at the time when the meeting proceeds to business in accordance with the Act and the Copyright Act 1957, read with the Copyright Rules 2013, all as amended from time to time.

13.7 Adjournment for lack of Quorum

If, within half an hour after the time appointed for the meeting, a quorum is not present, the

meeting:

13.7.1 If convened upon the requisition of Members, shall stand cancelled;

13.7.2 In any other case, shall stand adjourned to such other day and at such other time and place as the Board may determine, and if at the adjourned meeting a quorum is not present within half an hour after the time appointed for the meeting, the Members present shall be the quorum.

13.8 Adjourned meetings

The Chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the Meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the original meeting. When a meeting is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

13.9 Chairman of General Meeting

The Chairman of the Board shall be entitled to take the Chair at every general meeting. If there be no such Chairman or if at any meeting, he shall not be present within fifteen minutes after the time appointed for holding such meeting or is unwilling to act, the Members present shall choose another Director as Chairman, and if no Director be present, or if all the Directors present are unwilling to act, then the Members present, shall elect one of their number, being a Member entitled to vote, to act as the Chairman.

13.10 Method of Voting

13.10.1 For Ordinary Business:

At any General Meeting, resolutions on all Ordinary Business put to the vote of the meeting shall, unless a poll is demanded as provided under the Act or the voting is carried out electronically, be decided on a show of hands.

Before or on the declaration of the result of the voting on any such resolution on show of hands, a poll may be ordered to be taken by the Chairman of the meeting on his own motion.

13.10.2 For Special Business:

13.10.2.1 At any General Meeting, all Special Business other than the Reserved Items mentioned in Article 13.5.1 shall be conducted by way show of hands and such matters/resolutions shall be placed at the General Meeting after having been passed with a 3/4th majority of the Board, and such business shall require a concurrence of 3/4th majority of all Members present in person and entitled to vote as per his/her/it voting share at the General Meeting, in favor of such resolution.

13.10.3 For the Reserved Items mentioned in Article 13.5.2 and Resolutions moved/proposed during the Meeting with prior approval of the Board, as per his/her/it voting share at the General Meeting, in favor of such resolution.

13.10.4 In the event that any business matter is resolved by a show of hands and not by ballot, a declaration by the Chairman of the meeting that a resolution has on a show of hands been carried unanimously, or by a particular majority (as the case may be), or lost, and an entry to that effect in the book containing the minutes of proceedings of the General Meetings, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favor of, or against, such resolution.

13.11 Minutes of Meeting

13.11.1 The Company shall cause minutes of all proceedings of every General Meeting to be kept in accordance with the Act.

13.11.2 Any such minutes shall be evidence of the proceedings recorded therein.

13.11.3 The book containing the minutes of proceedings of General Meetings shall be kept at the Registered Office of the Company and shall be open, during business hours, for such periods, not being less in the aggregate than two hours in each day as the Committee may determine to the inspection of any Member without charge.

14. Circulation of Members Resolution

14.1 The Company shall comply with the provisions of Section 111 of the Act as to giving notice of resolutions and circulating statements on the requisition of Members.

14.2 Resolution to be passed by Company in General Meeting: Any Act or Resolution which, under the provisions of these Articles or of the Act, is permitted or required to be done or passed by the Company in general meeting shall be sufficiently so done or passed if effected by an Ordinary Resolution as defined in Section 114(1) of the Act unless either the Act or these Articles specifically require such act to be done or resolution passed by a Special Resolution as defined in Section 114(2), of the Act

15. Body Corporate Deemed to be personally present

When a company, or a body corporate, (hereinafter called "Company Member") is a Member of the Company, a person duly appointed by a resolution in accordance with the provisions of Section 113 of the Act to represent such Company Member at a meeting of the Company, shall not, by reason of such appointment, be deemed to be a proxy, and the production at the meeting of a copy of such resolution duly, signed by one Director or the Secretary of such Company Member and certified by him as being a true copy of the resolution shall be accepted by the Company as sufficient evidence of the validity of his appointment. Such a person shall be entitled to exercise the same rights and powers, including the right to vote by proxy on behalf of such Company Member which he represents, as that Company Member could exercise as if it were an individual member.

16. Votes of Members-

16.1 Every Member will have one vote i.e. one member one vote, when voting is done by a show of hands. Provided that for matters of special business or matters requiring special resolution or when a poll is demanded or ordered, the voting right per Member shall be exercised as follows:

16.1.1 The voting rights of the Members shall be on the basis of Weighted Average of Number of Works in every category represented and registered with the Company.

16.1.2 The Works shall be classified into Five (5) classifications, viz., International, Film National (Hindi), Film Regional, Non-Film National (Hindi) and Non-Film Regional, indicative of the different types of Works prevalent in Indian music market.

16.1.3 The Works as classified shall be assigned weightage which is indicative of the market share of these Works being made by the owners in creating these Works as follows:

CLASSIFICATION OF WORKS	WEIGHTED AVERAGE	NUMBER OF UNITS PER WORK
International	10%	4
Film National	60%	24
Film Regional	15%	6
Non Film National	12.50%	5
Non Film Regional	2.50%	1
Total	100%	

- 16.2** It is clarified that the Expired and Disputed Songs in the repertoire of the Member shall not be counted toward determining the voting rights of such members:
- 16.3** Member who has given rights for one category shall get voting rights as on the basis of Weighted Average of Number of Works registered with the Company for that category.
- 16.4** Incase a member has given more than one category of rights; the Voting rights shall be of the sum total of the Weighted Average of Number of Works registered with the Company in each category.
- 16.5** The category of rights is defined in the Class of Members as in Article 9 of the AOA.
- 16.6** The calculation of the voting rights will be carried out on the record date and such date will be intimated to the Members.
- 16.7** The voting rights of the members shall be calculated as follows:
- 16.7.1 The total number of votes of a member shall be calculated by multiplying the number of Works registered with the Company by No. of Units per Work. Derivative works, for example mash-ups, non-stop mix, name tunes, etc. are not eligible to be counted for this purpose.
- 16.7.2 In the event of joint ownership or multiple owners of same work, the unit shall be divided in relation to the ownership pattern.
- 16.7.3 The block of works can be changed from time to time in accordance with the number of works registered with the Company.
- 16.7.4 The Company shall maintain a separate record of works registered and number of eligible votes.
- 16.7.5 The work registration process shall be updated on a regular basis. Any Works whose title is in dispute between two Members, or disputed by a third party, may be withheld from voting rights of both Members or the Member, as the case may be, as per the decision of the Board of Directors on a case-to-case basis.
- 16.7.6 However, for the purpose of voting and eligible votes per work, the number of works registered as on 31st March of the year in which the General meeting is held shall be considered.
- 16.7.7 No company or body corporate shall vote by proxy so long as a resolution of its Board of Directors under the provisions of Section 187 of the Act is in force and the representative named in such resolution is present at the general meeting at which the vote by proxy is tendered.

17. Voting Powers of representatives of a corporate member declared of unsound mind, lunatic etc.

A corporate member, whose representative appointed under Section 187 of the Act, to vote on behalf of the member, is adjudged insolvent or of unsound mind, that corporate member can vote through another representative duly appointed or if not so appointed,

through a valid proxy.

18. Proxies Permitted

Votes may be given either personally or by proxy, or in the case of a body corporate, by a representative duly authorized as aforesaid.

19. Instrument Appointing Proxy to be in Writing

- 19.1 The instrument appointing a proxy shall be in writing under the hand of the appointer or of his Attorney duly authorised in writing or if such appointer is a body corporate be under its common seal or the hand of officer or Attorney duly authorized. A proxy who is appointed for a specified meeting only shall be called a Special Proxy. Any other proxy shall be called a General Proxy.
- 19.2 A Member may appoint one proxy for all business to be transacted on the same occasion or different proxies for different businesses to be transacted on the same occasion.
- 19.3 A person may be appointed a proxy though he is not a member of the Company. It shall not be necessary to state in every notice convening a meeting of the Company that a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him.

20. Instrument Appointing a Proxy to be deposited at the Office

The instrument appointing a proxy and the Power of Attorney or other authority (if any) under which it is signed, or a naturally certified copy of that power or authority, shall be deposited at the Office not less than forty eight hours before the time for holding the meeting at which the person named in the instrument purports to vote in respect thereof and in default the instrument of proxy shall not be treated as valid.

21. When Vote by Proxy valid though authority revoked

A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the instrument provided no intimation in writing of the death, insanity, and revocation shall have been received by the Company at the Office before the vote is given. Provided nevertheless that the Chairman of any meeting shall be entitled to require such evidence as he may in his discretion think fit of the due execution of an instrument of proxy and that the same has not been revoked.

22. Form of instrument appointment a Proxy

Every instrument appointing a proxy shall be retained by the Company and shall as nearly as circumstances will admit be in any of the forms set out in the Act.

23. Objection to Qualification of votes to be raised at Meetings

- 23.1 No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote not disallowed at such meeting shall be valid for all purposes.
- 23.2 Any such objection made in due time shall be referred to the Chairman of the meeting whose decision shall be final and conclusive.
- 23.3 The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting.

24. DIRECTORS

24.1 Number of Directors

Until otherwise determined by the company in General Meeting, the number of Directors shall not be less than seven (7) and not more than eleven (11).

24.2 One third of the total strength of the Directors shall retire by rotation. At least two-thirds of the total number of Directors other than (independent directors and nominee directors) shall hold office for a maximum period of two (2) years and shall not be eligible for re-election for a period of two years from the date of completion of such term.

24.3 For the purpose of calculation of the two (2) years for the above clause, the date of appointment of the Director on the Board shall be considered for the calculation of 2 year term.

24.4 Eligibility to be a Director

Any Member or Company Member whose Nominee is to be appointed as a Director shall be any person as appointed by any individual, firm, association, institution or a body corporate incorporated under any law or regulation for the time being in force and must satisfy the following criteria:

24.4.1 That he has registered as owner of rights with the Company more than 2,000 Works or such number of Works, as may be decided from time to time by Members in General Meeting, or that he has been entered in as a Member by the Company in its Register of Members for a continuous period of two (2) years;

24.4.2 In the sole discretion and judgment of the Board, such Member adds to the stature and operations of the Company in a particular state and/or territory.

24.4.3 The Board of Directors may, at its absolute, discretion, relax the above conditions relating to appointment of Director by passing a resolution with 3/4th majority.

24.4.4 Such eligibility criteria shall not be applicable for the appointment of any person as an Independent Director or the appointment of any professional person having technical knowledge and capabilities as a managing director, whole time director or equivalent or similar.

25. Appointment of Directors

25.1 Power to Appoint Alternate Director

The Board of Directors may appoint any person to act as an Alternate Director for a Director during the latter's absence for a period of not less than three months from the State in which the meetings of the Board of Directors are ordinarily held and such appointee, whilst he holds office as an Alternate Director, shall be entitled to notice of meetings of the Board of Directors and to attend and vote there accordingly, but he shall ipso facto vacate office if and when the absent Director returns to the State in which meetings of the Board of Directors are ordinarily held or if the absent Director vacates office as a Director.

25.2 Board of Directors may fill up Casual Vacancies

Any casual vacancy occurring in the Board of Directors may, subject to the provisions of sections 152 and 161 of the Act, be filled by the Board of Directors but any person so appointed shall retain his office so long only as the vacating Director would have retained the same if no vacancy had occurred.

25.3 Board of Director's Power to appoint additional Director

Subject to the provisions of Section 161 of the Act, the Board of Directors shall have power at any time and from time to time to appoint any other qualified person to be an additional Director but the total number of Directors shall not any time exceed the maximum fixed under Article 24.1. Any such additional Director shall hold office only up to the next Annual General Meeting but shall be eligible for election at such meeting.

25.4 Independent Directors

25.4.1 The Board of Directors of the Company may at their sole and absolute discretion appoint Independent Directors who shall be men of standing, reputation, value or relevant experience and knowledge.

25.4.2 The maximum number of Independent Directors appointed on the board shall, not exceed 2 in number and shall be within the maximum number of directors stated in Article 24.1.

25.4.3 Nothing contained in the said article shall be construed so as to mean that the independent director has to be mandatorily appointed.

25.5 Appointment of Managing Director, Chief Executive Officer, Whole Time Director Manager, Company Secretary or Chief Financial Officer

25.5.1 The managing director, chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for fixed term, at such remuneration and upon such conditions as it may think fit; and any such employee so appointed may be removed by means of a resolution of the Board.

25.5.2 The CEO/ WTD shall be a professional appointed by the Board and shall not be from among the Directors nominated by the Members of the Company. Such person need not be a Member and shall be required to act under the control, supervision and directions of the Board of Directors as executor of the decisions of the Board/Governing Council.

25.5.3 The CEO/WTD shall be not liable to retirement by rotation. The CEO shall cease to be a Director of the Company forthwith from the date of his resignation, retirement or termination as CEO and will not serve on the Board in any capacity.

25.5.4 All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person(s) and in such manner as the Board shall from time to time by board resolution determine or by delegation of authority matrix which shall be approved by the Board.

26 Remuneration of Directors

The remuneration of a Director for his services shall be such sum as may be fixed by the Board, not exceeding such sum within the maximum limit that may be prescribed by the Act or by the Central Government for each meeting of the Board or a committee thereof attended by him.

Subject to the provisions of the Act, if any Director being willing shall be called upon to perform extra services or to make special exertions in going or residing out of his usual place of residence or otherwise for any of the purposes of the Company, the Company shall remunerate the Director so doing either by a fixed sum or

otherwise as may be determined by the Directors, and such remuneration may be, either in addition to or in substitution for his share in the remuneration above provided.

27. Vacation of Office of Director

Subject to Sections 167 of the Act, the office of the Director shall become vacant if:

- 27.1 he incurs any of the disqualifications specified in section 164;
- 27.2 he absents himself from all the meetings of the Board of Directors held during a period of twelve months with or without seeking leave of absence of the Board;
- 27.3 he acts in contravention of the provisions of section 184 relating to entering into contracts or arrangements in which he is directly or indirectly interested;
- 27.4 he fails to disclose his interest in any contract or arrangement in which he is directly or indirectly interested, in contravention of the provisions of section 184;
- 27.5 he becomes disqualified by an order of a court or the Tribunal;
- 27.6 he is convicted by a court of any offence, whether involving moral turpitude or otherwise and sentenced in respect thereof to imprisonment for not less than six months; provided that the office shall be vacated by the director even if he has filed an appeal against the order of such court;
- 27.7 he is removed in pursuance of the provisions of the Act;
- 27.8 he, having been appointed a director by virtue of his holding any office or other employment in the holding, subsidiary or associate company, ceases to hold such office or other employment in that company;
- 27.9 he ,in the case of a proprietor member, or the firm/corporate that he is nominated by in the case of a firm/corporate member, ceases to be a Member of the Company.

28. Removal of Directors

- 28.1 The Company may, by ordinary resolution, remove a Director before the expiry of his term. However, special notice shall be required for such resolution or to appoint somebody instead of a Director so removed at the meeting at which he is removed.
- 28.2 A vacancy created by the removal of a director may, if he had been appointed by the Company in General Meeting or by the Board by filling a casual vacancy, be filled by the appointment of another Director in his stead by the meeting at which he is removed, provided special notice of the intended appointment has been given as above.
- 28.3 Subject to the provisions of the Act, any Director of the Board and any of his relatives and any registered firm or company in which he is interested may enter into any contract with the Company for the sale, purchase or supply of goods, the rendering of services or otherwise, without such Director of the Board being disqualified or incurring any liability to account for profits.

29. Proceedings of Directors

29.1 Meetings of Directors

The Board may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit; provided that a meeting of the Board shall be held as per the provisions of the Act.

29.2 Notice of Meeting

A Director may, and the manager or secretary on requisition of a director shall, at any time, summon a meeting of the Board. A meeting of the Board shall be called by giving not less than seven (7) days' notice in writing to every director at his address registered with the Company and such notice shall be sent by hand delivery or by post or by electronic means.

29.3 A meeting of the Board may be called at a shorter notice to transact urgent business as per the applicable provisions of the Act.

29.4 Chairman of the Board

Subject to these Articles, the Board shall appoint from amongst themselves one Director to be the Chairman of the Board. The Chairman shall have the power to vote as the Director of the Company but shall have no casting vote. The term of office of the Chairman shall be for a period of two years and he shall not be eligible for re-election for a period of two years from the date of completion of the term.

29.5 For the purpose of calculating two (2) years for the above clause, the date of appointment of the Director as Chairman shall be considered for the calculation of the two (2) year term.

29.6 Quorum for Board Meetings

The quorum for a Board meeting shall be determined from time to time in accordance with the provisions of the Act. If a quorum shall not be present within thirty (30) minutes from the time appointed for holding a meeting of the Board of Directors, it shall be adjourned until such date and time as the Chairman of the Board shall appoint.

29.7 A meeting of the Board at which a quorum be present shall be competent to exercise all or any of the authorities, powers and discretions by or under these Articles for the time being vested in or exercisable by the Board of Directors, as specified under Section 179 of the Act.

29.8 Decisions at Board Meetings

Questions arising at any Board meeting shall be decided by a majority of votes.

29.9 Formation of Committees by the Board & Delegation of Authority to Committees

The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit. The Board may appoint committees from time to time and specify its constitution, terms of reference, validity etc and the same shall be governed under the relevant provisions of the Act. The Board may also appoint any outside expert or persons of standing as a member of any such committee and such appointees need not be a Member of the Company.

29.10 Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.

29.11 A committee may elect a chairman of its meetings.

- 29.12 If no such chairman is elected, or if at any meeting the chairman is not present within five (5) minutes after the time appointed for holding the meeting, the members present may choose one of their members to be chairman of the meeting.
- 29.13 A committee may meet and adjourn as it thinks proper.
- 29.14 Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the chairman shall have a second or casting vote.

29.15 Validation of Acts of Directors at Board Meeting

All acts done by any meeting of the Board or any Director shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Director or that they or any of them were disqualified, be as valid as if such Director had been duly appointed provided that nothing in this Article shall be deemed to give validity to acts by its Directors after the appointment of such Director have been shown to be invalid.

29.16 Resolution without Board Meeting

Save in those cases where resolution is required by Sections 179(3) of the Act and Article 30 hereof, to be passed at a meeting of the Board, a resolution shall be as valid and effectual as if it had been passed at a meeting of the Board duly called and constituted, if a draft thereof is circulated, together with the necessary papers, if any, to all the Directors, then in India (not being less in number than the quorum fixed for a meeting of the Board) and to all other Directors at their usual address in India, and has been approved by such of them as are then in India or by a majority of such of them as are entitled to vote on the resolution.

30 Powers of the Board of Directors

- 30.1 The Board of Directors shall exercise authorities and powers as specified under Section 179 of the Act.
- 30.2 With the exception Article 13.5.2 the Board shall exercise all the other powers that may be necessary for the functioning of the Company.
- 30.3 The Board may from time to time, borrow, raise or secure the payment of such sum or sums of money as it may deem requisite for any purpose which it may deem expedient in the interests of the Company, but not so as to charge any right or interest of any Member in respect of his works.
- 30.4 The Board may delegate to the Chief Executive Officer and/or any other officer all such of its administrative powers as aforesaid as it may deem necessary for the full and proper administration of the affairs of the Company. Further to such delegation, the Chief Executive Officer is fully authorized to institute legal proceedings, execute and make all deeds, affidavits, complaints, suits, power of attorney, assignments and assurances and all such legal documents and do all such acts for and on behalf of the Company for the proper and effective administration and enforcement of the copyright and rights of the Company's members.
- 30.5 The Board is empowered to lay down and/or amend rules, regulations and code of conduct of Members and all Members shall duly comply with and adhere to the same.
- 30.6 The Board is empowered to approve or revise or amend the budget estimate for the succeeding year.
- 30.7 The Board shall exercise the following powers only with the consent of 3/4th majority resolutions passed at meetings of the Board, namely:
- 30.7.1 Appointment/termination of CEO;
- 30.7.2 Relaxation of criteria for Director;

- 30.7.3 Disposal or lease of immovable property;
- 30.7.4 Mortgage or hypothecation of assets against borrowing;
- 30.7.5 Changing of statutory auditor;
- 30.7.6 Long-term investments in securities, instruments;
- 30.7.7 To diversify the business of the company; and
- 30.7.8 Delegation of the authority matrix.

30.8 The Board may, from time to time and at any time, by power of attorney appoint any company, firm, person or body of persons, whether nominated directly or indirectly by the Board, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and directions (not exceeding those vested in or exercisable by the Board under these Articles) and for such period, and subject to such conditions as it may think fit. Any such powers of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board may think fit and may also authorize any such attorney to delegate all or any of the powers, authorities and discretions vested in him.

31 General Powers of Company vested in the Board

The Board may, at its sole discretion, accept any grants, contributions or donations, from anybody corporate, company or persons and on such terms and conditions, as it may deem fit. The Board may refuse acceptance of any such grant, donation or contribution without any reason therein for. Subject to the provisions of these Articles, the Board is empowered and entitled to decide and act upon all matters and shall exercise all such powers of the Company and do all such acts and things as are not required to be exercised by the Company in General Meeting under the Act, or by any other statute or by these Articles.

32 Reciprocal Relationship with Indian or Overseas Society

The Company may at its absolute discretion, exercised through the Board, enter into any reciprocal relationship / tie ups/ joint collaboration etc. with any Indian or Overseas society, registered in its respective jurisdiction, under the relevant rules and regulations, for the benefit of the Company.

33 Powers to appoint Secretary

The Board may from time to time appoint and at their discretion remove any individual (hereinafter called 'the Secretary') to perform any functions which by the Act are to be performed by the Secretary and to execute any other purely ministerial administrative duties which may from time to time be assigned to the Secretary by the Board. The Board may also at any time appoint some other person (who need not be the Secretary) to keep the registers required to be kept by the Company.

34 Minutes

The Board shall cause minutes of every meeting of the Board and of every sub-committee thereof to be kept in accordance with the Act.

35 The Seal

The Board shall provide a Common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof and the Board of Directors shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by the authority of the Board of Directors or a Committee of the Board of Directors previously given.

36 Deeds how executed

Every deed or other instrument to which the Seal of the Company is required to be affixed, shall unless the same is executed by a duly constituted attorney, be signed by two Directors or one Director and the Secretary or some other person appointed by the Board for the purpose.

37 Annual Returns

The Company shall comply with the provisions of Section 92 of the Act as to the making of

Annual Returns.

38 Book of Accounts

38.1 The Company shall keep in accordance with Section 128 of the Act books of accounts and other relevant financial statements and papers

38.2 Books where to be kept

The Books of Account shall ordinarily be kept at the Registered Office or at such other place in India as the Board decides and when the Board so decides, the Company shall, within seven (7) days of the decision, file with the Registrar a notice in the writing giving the full address of that other place.

38.3 Inspection of Books of Accounts

Subject to the provisions of the Act, the Books of Accounts shall be open for inspection during business hours by any Director, Registrar of Companies or any Officer of Government authorized by the Central Government in this behalf under the Act, after serving written notice of such duration as may be determined by the Board.

38.4 No Member (not being a Director) shall have any right of inspecting any Books of Accounts or books or documents of the Company except as conferred by law or authorized by the Board or by the Company in General Meeting.

38.5 Any Member desirous of inspecting the work register and calculation of the voting rights, record of calculation of the voting rights, record of Works registered in respect of his/her works, and the Register of Members, shall have access to such records, one week before the date of the general meeting, with prior notice of one week.

38.6 Books of Accounts and Vouchers to be preserved

The Books of Accounts of the Company, together with the vouchers relevant to any entry in such Books of Account, shall be preserved in good order in accordance with the provisions of Section 128 of the Act.

39 Books of Accounts to be Audited Annually

39.1 At least once in every year, the Books of Account of the Company shall be examined and the correctness of the Balance Sheet and Income and Expenditure Account (or Profit and Loss Account) ascertained by one or more Auditor or Auditors.

39.2 The financial statements shall give a true and fair view of the state of affairs of Company and explain its transactions.

39.3 Appointment and Remuneration of Auditors

The Company at each Annual General Meeting shall appoint an Auditor or Auditors to hold office and its remuneration, rights and duties shall be regulated by the provisions of the Act.

39.4 Audit of Accounts of Branch Office of Company

Where the Company has a branch office the provisions of Section 143 of the Act shall apply.

39.5 Right of Auditor to attend General Meetings

All notices of any General Meeting of the Company which any Member of the Company is entitled to have sent to him shall also be forwarded to the Auditor of the Company and the Auditor shall be entitled to attend any General Meeting and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor.

39.6 Auditors' Report to be Read

Qualifications or adverse remarks, if any, contained in the Auditors' Report shall be read before the Members in General Meeting and the Auditor's Report shall be open to inspection by any Member of the Company.

39.7 When Accounts to be deemed finally settled

The Accounts of the Company when audited and adopted by the Company in General Meeting shall be conclusive except as regards any error discovered therein within three (3) months next after the adoption thereof. Whenever any such error is discovered within that period, the accounts shall forthwith be corrected and thenceforth shall, subject to the approval of the Company in General Meeting, be conclusive.

39.8 Power to Amend Audited Accounts laid before the Company in General Meeting

The Directors shall, if they consider it to be necessary and in the interest of the Company, be entitled to amend the audited accounts of in the Company of any financial year which have been laid before the Company in General Meeting. The amendments to be affected by the Directors in pursuance of this Article shall be placed before the General Meeting for their consideration and approval.

40. Balance Sheet and Accounts

40.1 At every Annual General Meeting, the Board shall lay before the Company a Balance Sheet and Income and Expenditure Account (or Profit and Loss Account) made up in accordance with the provisions of Sections 129 and 134 and of Schedule III of the Act so far as they are applicable to the Company but, save as aforesaid the Board shall not be bound to disclose greater details of the result or extent of the trading and transactions of the Company than the Board deems expedient.

40.2 Annual Reports of Directors / Board of Directors

There shall be attached to every Balance Sheet laid before the Company the Report of the Board complying with Section 134 of the Act.

40.3 Copies to be sent to Members and Others

A copy of every Balance Sheet (including the Income and Expenditure Account (or Profit and Loss Account), the Auditors' Report and every document required by law to be annexed or attached to the Balance Sheet), as provided by Section 136 of the Act, not less than fourteen (14) days before the meeting be sent to every Member and such other person to whom the same is required to be sent by the said Section.

41 Dividend

No part of the profit or other income of the Company shall be distributed to the Members as dividends or otherwise. No Member or ex-Member shall have any claim over the same.

42 Register of Directors

42.1 The Board shall cause to be kept at the Registered Office of the Company a Register containing the particulars of the members of the Board and such other persons as mentioned in section 170 of the Act and shall otherwise comply with the provisions of the said section in all respect.

42.2 Every member of the Board shall disclose to the Company the particulars relating to his office in any other body corporate which are required to be specified under subsection (1) of section 170 of the Act.

42.3 Every member of the Board shall give notice to the Company of such matter relating to himself as may be necessary for the purpose of enabling the Company to comply with the provisions of section 170 of the Act.

43 Service of Notice and Documents

A notice or other document may be given by the Company to any Member in accordance with the provisions of Section 20 of the Act. A document may be served on any Member by sending it to him by post or by registered post or by speed post or by courier or by delivering at his office or address, or by such electronic or other mode as may be prescribed or normal. Provided that a Member may request for delivery of any document through a particular mode, for which he shall pay such fees as may be determined by the Company in its annual general meeting.

44 Secrecy and Confidentiality

Every Director, Secretary, officer, servant, agent, accountant or other person employed in or about the business of the Company shall, if so required by the Board before entering upon his duties, sign a declaration pledging himself to observe a strict secrecy respecting all transactions of the Company with its customers and the state of accounts with individuals and matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Board or by a court of law and except so far as may be necessary in order to comply with any of the provisions in these Articles contained.

45 Indemnity and Responsibility

45.1 Every Director, Chief Financial Officer, Secretary or officer of the Company or any person (whether an officer of the Company or not) employed by the Company as Auditor shall be fully indemnified and secured harmless out of the funds and earnings of the Company against all costs, losses, charges, damages, expenses and liability incurred by him, as such Director, Secretary or Officer or Auditor in defending any proceedings, whether civil or criminal by reason of any contract entered into or act or thing done concurred in or omitted by him as such officer, auditor, agent be in any way in or about the discharge of his duties or supposed duties otherwise than in respect of any negligence, default, misfeasance, breach of duty or breach of trust of which he may be guilty in relation to the Company. This indemnity shall continue to apply even after the Director, Secretary or officer has ceased to hold such office. Further, the Company shall participate and support the proceeding, as may be decided by the Board on a case to case basis.

45.2 The Board may authorize securing of Directors and key officers (key man) indemnity & liability insurance cover policies and such facility may be extended after retirement/cessation.

45.3 The Board shall have in place a Directors and officers' Liability Insurance Policy to indemnify the Directors and Officers of the Company.

45.4 Further, the heirs, executors and administrators of every one of the aforesaid officers, auditors, agents and trustee shall be entitled to the benefits of the indemnities set forth in this article.

46 Funds of the Company

All the monies or funds of the Company not immediately required shall be paid into an account to be opened with any bank or banks that may be approved by the Board in the name of the Company. All cheques on that account shall be signed jointly by any two Office Bearers/senior employees duly authorized for the purpose by the Board. A Member is not entitled to any claim or share of the funds, assets, surplus, or incomes/gains of the Company save and except for his/her/its normal entitlement out of royalty/license fees collected in accordance with the Distribution Scheme.

47 Arbitration

The Board may, at its discretion, form an Arbitration Committee from amongst the Members of the Company, which shall consist of three (3) Members who shall elect among themselves a Chairman and impose such tenure, terms and conditions as it may be deem fit. Any disputes arising from business dealings between Members or between Members and non-members or between any other parties may be referred to the Arbitration Committee. The dispute so referred to them shall be governed by the rules framed in this connection by the Board from time to time and shall comply the Arbitration & Conciliation Act, 1996. Such rules may include the fees to be charged. The concerned members shall cooperate with the Arbitration Committee. The Board may dissolve or suspend or re-constitute the Arbitration Committee at its discretion.

48 Winding Up

In the event of and upon the winding up of the Company, whether voluntary or otherwise, at

any time, the assets of the Company (other than the Rights vested in or controlled by the Company pursuant to these Articles, any sums distributable in accordance with the Rules, shall, in so far as they are available for the purpose, be apportioned among the Members at the date of such winding up, in the proportion in which such members received royalty distributions from the Company in respect of the financial year ending immediately prior to such winding up, and the Rights (if any) vested in the Company by a Members or controlled by the Company by virtue of his membership shall revert to such member or his personal authorized representative.

49 Alterations in Articles

The foregoing articles shall be copied in a book to be kept with the records of the Company. Printed copies of the same shall be made available to all the members and no alterations or additions or deletions shall be made therein or thereto save and except when adopted by the majority or three-fourths of the members present at the General Meeting convened by a notice issued at least twenty-one clear days before the holding of such a meeting and in which notice all the terms of proposed alterations or deletions have been clearly set forth. Every member shall bind himself to abide by these Articles of Association or any alteration or modification thereat that may be made from time to time in conformity with the Act for the time being in force.

We, the several persons whose names and address are subscribed, are desirous of being formed into a Company in pursuance of this Articles of Association.

Names, addresses and descriptions of subscribers

COLUMBIA GRAMOPHONE COMPANY LIMITED,
29, Waterloo Street, Calcutta,
by L. A. Wright, Its duly
constituted attorney

THE PARLOPHONE COMPANY LIMITED,
Blyth Road, Hayes, Middlesex,
England,
By L.A. Wright, Its duly constituted
attorney.

THE DECCA RECORD COMPANY LIMITED,
Burlington Road, New Malden,
Surrey, England,
By L.A. Wright,
Its duly constituted attorney.

THE GRAMOPHONE COMPANY LIMITED,
33, Jessore Road, Dum Dum,
by A. Forbes, Its duly constituted attorney.

THE TWIN RECORD COMPANY,
33, Jessore Road, Dum Dum,
by A. Forbes, Its duly constituted attorney.

Dated this 19th Day of April, 1941.
WITNESS to the above signatures:-

R.H. Blakeway,
Solicitor,
Calcutta.

NOTICE

Notice is hereby given that the **77th Annual General Meeting** of members of **PHONOGRAPHIC PERFORMANCE LIMITED** will be held on **Wednesday, 26th September 2018 at 10.00 A.M.** at The Club Mumbai, 197 D.N Nagar, Andheri (West), Mumbai 400 053 to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the audited Balance Sheet as at 31st March, 2018 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 appoint a Director in place of Mr.Mandar Ramesh Thakur (DIN: 5333792), who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

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

“**RESOLVED THAT** Mr.Vinit Harish Thakkar (DIN: 08050943) nominated by Universal Music India Private Limited, be and is hereby appointed as a Director, who shall be liable to retire by rotation.
4. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** Mr.Sanjujeet Bhujabal (DIN: 01915460) nominated by Sony Music Entertainment India Private Limited, be and is hereby appointed as a Director, who shall be liable to retire by rotation.
5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** Mr.Ajit Kumar (DIN: 08105941) nominated by Saregama India Limited, be and is hereby appointed as a Director, who shall be liable to retire by rotation.

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

“RESOLVED THAT Mr.Bhushan Kumar Dua (DIN: 00126614) nominated by Super Cassettes Industries Private Limited, 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 a **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.”

8. To consider and if thought fit, to approve:

Members’ License fee Payment Mechanism – Basis & Methodology (annexed)

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

“RESOLVED THAT the Members License fees Payment Mechanism – Basis & Methodology, as annexed to the Notice, be and is hereby approved.”

For and on behalf of the Board

Place: Mumbai
Dated: 28th August, 2018

Sd/-
MANDAR THAKUR
Director
DIN: 05333792

Registered Office:
Crescent Towers, 7th Floor,
B/68, Veera Estate, Off New Link Road,
Andheri (West), Mumbai - 400053

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 not exceeding fifty (50). 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 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 representatives 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, Legal Heirs 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 get-together breakfast, starting from 9:30 am in the morning, at the same 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 **commences on Sunday, 23rd September, 2018 at 9:00 a.m and ends on Tuesday, 25th September, 2018 at 5:00 p.m.** During these period members of the Company as on the cut-off date i.e. **Wednesday, 19th September, 2018** 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:

Pursuant to Section 108 of the Companies Act, 2014 read with the Companies (Management and Administration) Amendment Rules, 2015, the Company is providing facility of e-voting to all members. The e-voting facility is being provided through e-voting services provided by Central Depository Services (India) Limited (CDSL). The instructions for members for voting electronically are given in below paragraphs.

The instructions for members voting electronically are as under:

- i. The voting period **commences on Sunday, 23rd September, 2018 at 9:00 a.m and ends on Tuesday, 25th September, 2018 at 5:00 p.m.** During these period members of the Company as on the cut-off date i.e. **Wednesday, 19th September, 2018** only shall be entitled to cast their vote electronically. The e-voting module shall be disabled for voting thereafter.
- ii. The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.

- iii.** The Members should log on to the e-voting website www.evotingindia.com.
- iv.** Click on Shareholders.
- v.** Now Enter your User ID provided to you along with the notice for this Annual General Meeting.
- vi.** Next enter the Image Verification as displayed and Click on Login.
- vii.** Enter your password to be used provided to you along with the notice for this Annual General Meeting.
- viii.** After entering these details appropriately, click on "SUBMIT" tab.
- ix.** Click on the EVSN of Phonographic Performance Limited on which you choose to vote.
- x.** 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.
- xi.** Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xii.** 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.
- xiii.** Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xiv.** You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xv.** 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.
- xvi.** 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 77th 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. 3:

Mr.Vinit Harish Thakkar (DIN: 08050943)nominated by Universal Music India Private Limited was appointed as a Nominee Director by the Board of Directors of the Company with effect from 24th January, 2018, who holds office of Director upto the date of this Annual General Meeting and is eligible for appointment as a Director. Hence the Board recommends the Resolution at Item No. 3 of this Notice for your approval.

Except Mr.Vinit Harish Thakkar and his relatives, none of the Directors or their relatives are concerned or interested in the proposed Ordinary Resolution as set out in Item no. 3 of this Notice.

Item No. 4:

Mr.Sanjujeet Bhujabal (DIN: 01915460) nominated by Sony Music Entertainment India Private Limited was appointed as a Nominee Director by the Board of Directors of the Company with effect from 16th April, 2018, who holds office of Director upto the date of this Annual General Meeting and is eligible for appointment as a Director. Hence the Board recommends the Resolution at Item No. 4 of this Notice for your approval.

Except Mr.Sanjujeet Bhujabal and his relatives, none of the Directors or their relatives are concerned or interested in the proposed Ordinary Resolution as set out in Item no. 4 of this Notice.

Item No. 5:

Mr.Ajit Kumar (DIN: 08105941) nominated by Saregama India Limited was appointed as a Nominee Director by the Board of Directors of the Company with effect from 29th May, 2018, who holds office of Director upto the date of this Annual General Meeting and is eligible for appointment as a Director. Hence the Board recommends the Resolution at Item No.5 of this Notice for your approval.

Except Mr.Ajit Kumar and his relatives, none of the Directors or their relatives are concerned or interested in the proposed Ordinary Resolution as set out in Item no. 5 of this Notice.

Item No. 6:

Mr.Bhushan Kumar Dua(DIN: 00126614) nominated by Super Cassettes Industries Private Limited was appointed as a Nominee Director by the Board of Directors of the Company with effect from 17thJuly, 2018, who holds office of Director upto the date of this Annual General Meeting and is eligible for appointment as a Director. Hence the Board recommends the Resolution at Item No. 6 of this Notice for your approval.

Except Mr.Bhushan Kumar Dua and his relatives, none of the Directors or their relatives are concerned or interested in the proposed Ordinary Resolution as set out in Item no. 6 of this Notice.

Item No.7:

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 76th Annual General Meeting of the Company held on 26th 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.

Item No.8:

As the Members are aware, the Company has always followed the practice of getting the “Members’ License Fees Payment Mechanism – Basis & Methodology” approved by the members. The same has been enclosed herewith along with the Notice. Members are requested to approve the same and pass the proposed resolution as Ordinary 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 this Ordinary Resolution for approval of the Members.

None of the Directors, including their respective relatives shall be deemed to be interested in the above resolution.

For and on behalf of the Board

Place: Mumbai
Dated: 28th August, 2018

Sd/-
MANDAR THAKUR
Director
DIN: 05333792

DETAILS OF VENUE OF THE ANNUAL GENERAL MEETING

Address -The Club Mumbai, 197 D.N Nagar, Andheri (West),Mumbai 400 053

ROUTE MAP:

