

## **INDEPENDENT AUDITOR'S REPORT**

### **To the Members of Phonographic Performance Limited**

#### **Report on the audit of the Standalone financial statements**

##### **Opinion**

1. We have audited the accompanying standalone financial statements of Phonographic Performance Limited ("the Company"), which comprise the balance sheet as at March 31, 2019, and the statement of Profit and Loss, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its cash flows for the year then ended.

##### **Basis for opinion**

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

##### **Other Information**

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

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

We have nothing to report in this regard.

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

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

## INDEPENDENT AUDITOR'S REPORT

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

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

### **Auditor's responsibilities for the audit of the financial statements**

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

### **Report on other legal and regulatory requirements**

10. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
11. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

INDEPENDENT AUDITOR'S REPORT

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

- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) Clause (i) of section 143(3) is not applicable pursuant to notification G.S.R 583(E) dated 13 June 2017.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 18 to the financial statements;
  - ii. The Company has long-term contracts as at March 31, 2019 for which there were no material foreseeable losses. The Company did not have any derivative contracts as at March 31, 2019.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2019.
  - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2019.

For Price Waterhouse  
Firm Registration Number: 301112E  
Chartered Accountants

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Mumbai  
July 26, 2019

Asha Ramanathan  
Partner  
Membership Number 202660

UDIN: 19202660AAAABQ7115



**Annexure A to Independent Auditors' Report**

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

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

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

\* Net of amounts paid under protest

- viii. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The provisions of Section 197 read with Schedule V to the Act are applicable only to public companies. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable to the Company.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

**Annexure A to Independent Auditors' Report**

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Phonographic Performance Limited on the standalone financial statements for the year ended March 31, 2019  
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- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the provisions of Clause 3(xiii) if the Order are not applicable to the Company.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse  
Firm Registration Number: 301112E  
Chartered Accountants

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Asha Ramanathan  
Partner  
Membership Number 202660  
UDIN: 19202660AAAABQ7115

Mumbai  
July 26, 2019

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

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

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

As per our report of even date.

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

-sd-

**Asha Ramanathan**  
Partner  
Membership No. 202660

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

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

-sd-

**Mandar Thakur**  
Director  
DIN. 05333792

Place: Mumbai  
Date: July 26, 2019

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**Rajat Kakar**  
Director  
DIN. 01592740

Place: Mumbai  
Date: July 26, 2019

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

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

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**

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**Asha Ramanathan**  
Partner  
Membership No. 202660

**Mandar Thakur**  
Director  
DIN. 05333792

**Rajat Kakar**  
Director  
DIN. 01592740

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

Place: Mumbai  
Date: July 26, 2019

Place: Mumbai  
Date: July 26, 2019



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

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

**Notes:**

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

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

As per our report of even date.

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

-sd-

**Asha Ramanathan**  
Partner  
Membership No. 202660

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

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

-sd-

**Mandar Thakur**  
Director  
DIN. 05333792

Place: Mumbai  
Date: July 26, 2019

-sd-

**Rajat Kakar**  
Director  
DIN. 01592740

Place: Mumbai  
Date: July 26, 2019

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

**Note 1**

**General Information**

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

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

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

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

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

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

**Note 2**

**Summary of Significant Accounting Policies**

**2.1 Basis of Preparation**

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended), specified under section 133 and other relevant provisions of the Companies Act, 2013.

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Revised Schedule III (Division I) to the Companies Act, 2013. Based on the nature of services provided and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

**2.2 Change in Accounting Policy**

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

**2.2 Tangible Assets**

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

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

## Phonographic Performance Limited

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

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

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

<b>Assets</b>	<b>Useful Life</b>
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:

<b>Assets</b>	<b>Rate</b>
Computer Software	25%

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

### 2.4 Impairment of Assets

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

### 2.5 Investments

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

### 2.6 Foreign Currency Translation

#### **Initial Recognition:**

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

#### **Subsequent Recognition:**

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

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

## **2.7 Revenue Recognition**

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

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

## **2.8 Other Income**

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

## **2.9 Employee Benefits**

### **Defined Contribution Plans**

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

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

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

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

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

## **2.10 Current and Deferred Tax**

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

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

## **2.11 Provisions and Contingent Liabilities**

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

**Contingent Liabilities:** Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Where there is a possible obligation or a present obligation and the likelihood of outflow of resources is remote, no provision or disclosure is made.

## **2.12 Leases**

### **As a Lessee:**

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

## **2.13 Cash and Cash Equivalents**

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

## **2.14 Use of Estimates**

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

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

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

9 Tangible Assets

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

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

**10 Intangible Assets**

Rupees

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

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

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

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



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

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

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

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

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

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

**Note 18**  
**Contingent Liabilities**

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

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

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

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

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

*Amount in Rupees, unless otherwise stated*

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

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

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

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

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

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

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

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

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

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

**Note 19**

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

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

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

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

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

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

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

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

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

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

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

**Note 25**

**Broadcasting Income**

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

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

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

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

**Note 26**

**Licence Fees distribution to members**

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

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

**Expenditure in Foreign Currency**

Travelling Expenses	47,678	-
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**Note 28**

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

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

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

**Note 29**

**Employee Benefits Expense**

**(A) Defined Contribution Plans**

Amount recognised in the Statement of Profit and Loss

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

**(B) Defined Benefit Plan**

**(a) Gratuity**

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

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

**Phonographic Performance Limited****Notes to Financial Statements as at and for the year ended March 31, 2019***Amount in Rupees, unless otherwise stated***(v) Major Category of Plan Assets as a % of total Plan Assets**

Administered by Life Insurance Corporation of India

**(vi) Actuarial Assumptions**

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

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

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

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

**(b) Compensated Absences**

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

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



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

**Note 31**

**Related Party Disclosures**

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

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

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

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

**Note 32**

**Leases:**

**As a Lessee:**

**Operating Lease**

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

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

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

**Note 33**  
**Due to Micro and Small Enterprises**

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

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

**Note 34**

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

**Note 35**

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

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

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

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

**Note 36**

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

**Note 37**

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

The Notes are an integral part of these Financial Statements.

As per our report of even date.

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

-sd-

**Asha Ramanathan**  
 Partner  
 Membership No. 202660

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

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

-sd-

**Mandar Thakur**  
 Director  
 DIN. 05333792

Place: Mumbai  
 Date: July 26, 2019

-sd-

**Rajat Kakar**  
 Director  
 DIN. 01592740

Place: Mumbai  
 Date: July 26, 2019