



NOTICE

Notice is hereby given that the 3rd Annual General Meeting (3rdAGM) of the members of Phonographic Digital Limited (“the Company”) will be held on **Thursday, 31st December, 2020 at 11.30. A.M. through video conferencing/other audio-visual means (VC/OAVM) facility without any physical presence** of members to transact following Ordinary and Special businesses;

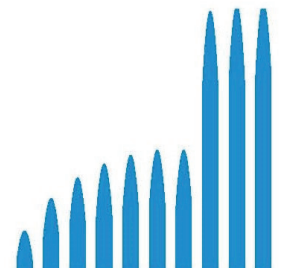
ORDINARY BUSINESS:

1. To consider and adopt the audited Balance Sheet as at 31st March, 2020 and Statement of Profit & Loss for the financial year ended on that date along with the Schedules, Annexure and Notes thereto and the Report of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Sanjay Arjundas Wadhwa (DIN: 00203083), who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Suresh Thangiah (DIN: 00876303), who retires by rotation and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

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

“**RESOLVED THAT** pursuant to the provisions of Section 160, Section 161 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Sushilkumar Agrawal (DIN: 00116517), who was appointed as an Additional Director of the Company with effect from 15th June,2020 and in respect of whom, the Company has received a notice in writing from a Member, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation.”



“RESOLVED FURTHER THAT any one of the Directors of the Company be and is hereby authorized to do all such acts, deeds and things as are necessary and expedient in this regard from time to time.”

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

“RESOLVED THAT pursuant to the provisions of Section 160, Section 161 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Deepak Bali (DIN: 01622576), who was appointed as an Additional Director of the Company with effect from 15th June,2020 and in respect of whom, the Company has received a notice in writing from a Member, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation.”

“RESOLVED FURTHER THAT any one of the Directors of the Company be and is hereby authorized to do all such acts, deeds and things as are necessary and expedient in this regard from time to time.”

For and on behalf of the Board

Sd/-

Sovan Lal Saha

Chairman

DIN: 01096343

Place: Mumbai

Dated: 7th December, 2020

Registered Office:

B-502, VIP Plaza, Veera Estate,
Off New Link Road,
Andheri (West),
Mumbai – 400 053

Notes:

1. In view of the massive outbreak of the COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") pursuant to Circular No. 20/2020 dated 5th May, 2020 read with Circular No. 14/2020 dated 8th April, 2020 and Circular No.17/2020 dated 13th April, 2020 ("MCA Circulars"), has permitted holding of Annual General Meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM) without the physical presence of Members at a common venue. Hence, Members can attend and participate in the ensuing AGM through VC/OAVM in compliance with the provisions of the Companies Act, 2013 ("Act") and MCA Circulars. Accordingly, the Members are not permitted to appoint proxies to attend and vote at the AGM on their behalf.
2. Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.
3. Participation through VC/OAVM shall be reckoned for the purpose of quorum for the AGM as per Section 103 of the Companies Act, 2013.
4. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in relation to the Special Business specified in this Notice is attached.
5. All the relevant documents referred to in this AGM Notice and Explanatory Statement etc., Register of Directors maintained under Section 170 and Register of Contracts or Arrangements, if any, in which Directors are interested maintained under Section 189 of the Companies Act, 2013 and other documents shall be available electronically for inspection by the members at the AGM. Members seeking to inspect such documents can send an e-mail to info@pdlindia.org from their registered e-mail address.
6. In compliance with the aforesaid MCA Circulars, Notice of the AGM along with the Annual Report for FY 2019-20 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company. Members may note that the Notice and Annual Report for FY 2019-20 will also be available on the Company's website www.pdlindia.org
7. In case of deceased Members, their respective legal heirs will not be entitled to participate and/or vote at the Annual General Meeting (AGM).
8. Family Members, Friends, Children accompanying the Member/Legal Heir, shall not be permitted to attend the meeting.
9. Members desirous of obtaining any information concerning accounts and other operational matters of the Company are requested to send their queries to the registered office of the Company at least seven days before the date of the AGM. In case of receipt of query at any time less than seven days before the AGM, such query will not be answered at the AGM but will be dealt with separately by the Company.
10. Corporate members intending to send their authorised representative(s) to attend the Meeting through VC/OAVM on their behalf and to vote through remote e-voting/e-voting at the AGM pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company by e-mail through their registered e-mail address, a certified true copy of the relevant Board Resolution together with the specimen signature(s) of the representative(s) authorised under

the said Board Resolution to attend and to vote through remote e-voting/e-voting at the AGM on their behalf.

11. Members are requested to notify the Company about their change of address, if any.
12. The business matters set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to remote e-voting prior to the AGM and e-voting at the AGM provided by Central Depository Services (India) Limited (CDSL) are given by separate email.
13. Instructions for members for attending the AGM through VC/OAVM and E-voting will be shared through separate email.

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 Nos. 4& 5:

With a view to broad base the management of the Company, Mr. Sushilkumar Agrawal (DIN: 00116517) and Mr. Deepak Bali (DIN: 01622576) were appointed as Additional Directors of the Company with effect from 15th June 2020. Pursuant to the provisions of Section 161 of the Companies Act, 2013, the aforesaid Directors hold office only upto the date of the ensuing Annual General Meeting of the Company.

Accordingly, in terms of the requirements of the Companies Act, 2013, approval of the Members of the Company would be required for regularization of Mr.Sushilkumar Agrawal and Mr. Deepak Bali as the Directors of the Company. The Company has received the respective notices in writing from Members, proposing their candidature for the office of Directors of the Company.

As required by Secretarial Standards – 2, disclosures pertaining to the appointment of Directors of the Company have been annexed to the Notice.

Your Directors recommend the above resolutions for your approval.

Save and except the Directors to be appointed, none of the other Directors/Key Managerial Personnel of the Company/their relative(s) is, in any way, concerned or interested, financially or otherwise, in the said Resolution.

For and on behalf of the Board

Sd/-

Sovan Lal Saha

Chairman

DIN: 01096343

Place: Mumbai

Dated: 7th December, 2020

Brief Profile of the Directors to be appointed:

Name of the Director	Mr. Sushilkumar Agrawal (DIN: 00116517)	Mr. Deepak Bali (DIN: 01622576)
Age	65 Years	48 Years
Date of appointment on the Board	15th June 2020	15th June 2020
Term	--	--
Education Qualification	M. Sc.	M.A. (Punjabi Literature, Punjab University, CHD)
Background details, Recognition or awards and Experience & Expertise	Mr. Sushilkumar Agrawal, is the CEO of Ultra Media & Entertainment Private Limited. A professionally managed Entertainment Conglomerate, Ultra currently provides end to end solutions to the Film & Television Industry globally. Starting with a VHS unit in 1983, he has diversified into VCD, DVD and from 1990 into Music Industry also. UltraMusic today has more than 50,000 tracks and is a strong name in regional music in many languages. He is also the President of Indian Council of IMPEX For Films and TV Programmers, Director of The Indian Performing Right Society Ltd (IPRS), Council Member of The Film & Television Producers Guild of India Ltd.	Deepak Bali has spent a large part of his life Upholding Indian classical & folk music, promoting mother tongue 'Punjabi' Language, art and culture by organizing global music events. His efforts in preserving the Indian Classical music heritage, especially the fostering of 145 years old organization Shree Baba Harivallabh Sangeet Mahasabha as a general secretary (one of the oldest Indian Classical music in the world) has received widespread acclaim. Deepak Bali has produced more than 250 albums of Punjabi gold music.
Shareholding in the Company	N.A.	N.A.
Terms and Condition of appointment (Other brief terms also required to be stated)	Liable to retire by rotation	Liable to retire by rotation

Details of Remuneration sought to be paid*	NIL	NIL
Remuneration last drawn	NIL	NIL
Number of Board Meetings attended during the year	3	3
Relationship with other Director, Manager and other Key Managerial Personnel of the Company	N.A.	N.A.
Other membership / Chairmanship of Committees of the Boards	--	--
Directorship in other Indian Public Limited Companies as on 31 st March 2020	4	2

* Remuneration does not include the sitting fees which may be paid to the Directors for attending the Board meetings/ General meetings.



DIRECTORS' REPORT

To,
The Members of
PHONOGRAPHIC DIGITAL LIMITED

Dear Members,

Your Directors are delighted to present the Third Annual Report of the Company together with the Audited Financial Statements for the year ended 31st March 2020.

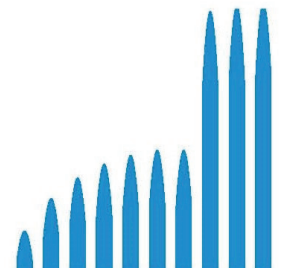
1. FINANCIAL STATEMENTS & RESULTS:

a. FINANCIAL RESULTS:

The Company's performance for the financial year ended 31st March 2020 is summarized below:

(Amount in Rs.)

Particulars	For the year ended 31 st March, 2020	For the period ended 31 st March, 2019
Income	6,37,53,113	6,83,87,097
Less : Expenses	5,71,01,029	5,61,20,664
Profit before Tax	66,52,084	1,22,66,433
Less: Tax Expense		
Current Year	20,00,000	38,00,000
Deferred Tax	1,80,302	91,816
Profit after tax	44,71,782	8,374,617



a. OPERATIONS:

The Company is the first of its kind a global digital music Collection Company supported by more than 350 right owners across worldwide and is built on Technology and Trust. The Company is created to maximize value for Sound Recording Owners in today's Digital Age, while providing the highest level of transparency and efficiency. The Company is mainly engaged in licensing of copyrighted sound recordings and audio-visuals in mobile and digital modes and mediums. There was no change in the nature of business of the Company during the year under review.

A brief description of each of the businesses carried out by the Company and the revenue earned in each of the businesses has been specified hereunder:

Music & Mobile:

During the year under review, the Company has earned revenue of Rs. 10,16,301/- as compared to previous year revenue of Rs. 70,51,114/- from the said business activity.

Caller Back Ring Tone:

During the year under review, the Company has earned revenue of Rs. 16,54,47,087/- as compared to previous year revenue of Rs. 21,81,14,927/- from the said business activity.

Mobile Streaming:

During the year under review, the Company has earned revenue of Rs. 20,84,37,563/- as compared to previous year revenue of Rs. 16,58,99,941/- from the said business activity.

Over the Top (OTT):

During the year under review, the Company has earned revenue of Rs. Nil as compared to previous year revenue of Rs. 1,50,00,000/- from the said business activity.

Digital Income Others:

During the year under review, the Company has earned revenue of Rs. 1,15,54,030/- from Ringtone, Video Portal, Apple iTunes and Radio sets as compared to previous year revenue of Rs. 4,81,731/-.

DISTRIBUTION OF LICENSE FEE TO MEMBERS:

As on date, the Company has approximately 352 Members. During the year under review, the Company distributed license fee aggregating to Rs. 32,70,47,972/- in respect of the payments received till March 2020 as compared to previous year ended 31st March 2019 of Rs. 34,30,97,668/-.

b. 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.

c. TRANSFER TO RESERVES:

During the year under review, the Company was not required to transfer any amount to reserves.

d. DEPOSITS:

The Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act, 2013 ("the Act") read with the Companies (Acceptance of Deposit) Rules, 2014 during the year under review. Hence, the requirement for furnishing of details of deposits which are not in compliance with the Chapter V of the Act is not applicable.

e. DISCLOSURES UNDER SECTION 134(3)(i) OF THE COMPANIES ACT, 2013:

Except as disclosed elsewhere in this report, no material changes and commitments which could affect the Company's financial position have occurred between 1st April, 2019 and the date of this report.

f. DISCLOSURE OF ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNAL:

During the year under review, No Orders have been passed by any Regulator or Court or Tribunal which can have impact on the going concern status and the Company's operations in future.

g. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

Particulars of contracts or arrangements with related parties referred to in sub-section (1) of section 188 in the form AOC-2: However, none of these fall under the purview of the provisions of section 188 of the Companies Act, 2013.

All related party transactions that were entered into during the financial year were on an arm's length basis.

Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014:

(i) Details of contracts or arrangements or transactions not at arm's length basis: Nil

(ii) Details of material contracts or arrangement or transactions at arm's length basis:

Name(s) of the Related party and nature of relationship	Nature of contracts/arrangement/transaction	Duration of the Contracts/arrangements/transactions	Salient Terms of the Contracts/arrangements/transactions including the value, if any	Date (s) of Approval by the Board, if any	Amount paid as Advance, if any
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Meshi Webtech Consultant (OPC) Pvt. Ltd Mr. Deval Prashar Director of the Company is interested.	Software Hosting and Maintenance Charges	On going	Software Hosting and Maintenance Charges	15.06.2019	Rs. 315091/-
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h. PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS AND SECURITIES:

The Company has neither given any loans or guarantees nor made any investments under Section 186 of the Act during the year under review and hence, no information in this regard has been furnished.

1. MATTERS RELATED TO DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Mr. Sanjay Arjundas Wadhwa (DIN: 00203083) and Mr. Suresh Thangiah (DIN: 00876303) are longest in the office of Directors of the Company are liable to retire by rotation and pursuant to the provisions of Section 152(2) of the Companies Act, 2013, the resolutions for the re-appointment of the said Directors have been included in the notice of the ensuing Annual General meeting.

Further, during the period under review, Mr. Sushilkumar Agrawal (DIN: 00116517) and Mr. Deepak Bali (DIN: 01622576) were appointed as Additional Directors of the company with effect from 15th June, 2020, subject to the approval of the Shareholders of the Company to hold office upto the date of the ensuing Annual General Meeting. The Company has received notices from the Members of the Company proposing the candidature of Mr. Sushilkumar Agrawal and Deepak Bali as Directors at the ensuing Annual General Meeting.

The Board recommends the appointment of the aforesaid Directors.

2. DISCLOSURES RELATED TO BOARD:

a. MEETINGS OF THE BOARD:

The Board of Directors met Five times during the yearended 31st March, 2020 in accordance with the provisions of the Companies Act, 2013 and rules made there under.

b. DIRECTORS 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 yearended 31st March, 2020, the Board of Directors hereby confirms that:

- (a) in the preparation of the annual accounts for the year ended 31st March, 2020, the applicable accounting standards had been followed and there have been no material departures from the same;
- (b) such accounting policies have been selected and applied consistently and the Directors 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, 2020 and of the profit of the Company for that year;
- (c) proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of the 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.

c. RISK MANAGEMENT POLICY:

The Board of Directors of the Company has designed Risk Management Policy and Guidelines to avoid events, situations or circumstances which may lead to negative consequences on the Company's businesses, and define a structured approach to manage uncertainty and to make use of these in their decision making.

d. 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 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.

3. AUDITORS AND REPORTS:

a. OBSERVATIONS OF STATUTORY AUDITORS ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2020:

The Report of the Statutory Auditors on the Company's Accounts for the yearended 31st March, 2020has following qualification, adverse remarks or observations and Managements replies are as under:

(i) Revenue Recognition:

Reply: License Fees income, in case of PDL and the music industry at large, is generally recognised on accrual basis (except where there are significant uncertainties) based on receipt of usage report submitted by licensees at rates and/or minimum guarantee rates as per agreements with those parties.

Where the ability to assess the ultimate collection with reasonable certainty is lacking at the time of raising invoices/or as per terms of agreement, revenue recognition is postponed to the extent of uncertainty involved. In such cases, revenue is recognised only when it is reasonably certain that the ultimate collection will be made.

PDL had already submitted replies and explained the same during the course of Audit to the Audit team. They have also provided a detailed explanation in the Management Representation letter and also an explanation in the Notes to Accounts for the same subject matter.

PDL has followed the same practices since its inception which has been accepted in the previous year audited financials and no queries/comments were raised on the same.

Further, the board wishes to clarify, that the amount mentioned by the auditor in the auditor's report is incorrect, and this figure was not discussed with the PDL team.

(ii) Booking of Royalty Income and its Distribution, and Impact of GST Liability and also ITC credit:

Reply: The Company has its registered office in Mumbai, and has a branch office in Kolkata for conduction business affairs. Invoices are generally raised to Music platforms by PDL on the basis of place from where the service has been rendered. We have operations that help cover many contracts from earlier periods and from specific regions/branch.

The contracts with members are independent contracts, and members of PDL have raised invoices mentioning registered office address and appropriate ITC, as reflected in 2A has been claimed by PDL.

This practice has been followed by PDL since its inception, and the same has been accepted and approved in the audited financials for previous years.

(iii) IGST on Export invoice of an overseas customer:

Reply: The Company had received the full invoice value from Lark Technologies in Foreign Currency. On a later date, we realized that this should be classified as export revenue. Hence, we had to raise credit note for GST wrongly charged and therefore the Company took corrective action.

The Company had informed auditors about this matter at that point of time. And accordingly, the return for Feb-2020 was also filed by the audit team who was handling all GST matters at that time, after verifying all the details and legalities. No queries pertaining to the above were pending thereafter. The Audit team had not pointed out any queries on the above matter at that stage.

b. APPOINTMENT OF THE STATUTORY AUDITORS:

At the First Annual General Meeting held on 20th December 2018 M/s. R H M& Co., Chartered Accountants, having (Firm Registration No. 122074W) was appointed as statutory auditors of the Company hold office until the conclusion of Annual General Meeting to be held in the year 2023. In terms of the first provision to Section 139 of Companies Act 2013, The Directors recommend his appointment till the conclusion of the Annual General Meeting to be held in calendar year 2023.

The Company has received a certificate from the statutory auditors to the effect that their re-appointment, if made, would be within the limits prescribed.

c. FRAUD REPORTING:

During the year under review, there were no material or serious instances of fraud falling within the purview of Section 143 (12) of the Companies Act, 2013 and rules made thereunder, by officers or employees reported by the Statutory Auditors of the Company during the course of the audit conducted.

4. OTHER DISCLOSURES:

Other disclosures as per provisions of Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are furnished as under:

a. EXTRACT OF ANNUAL RETURN:

Pursuant to the provisions of Section 134(3)(a) of the Companies Act, 2013, the details forming part of the extract of the Annual Return in form MGT- 9 for the year ended 31st March, 2020 made under the provisions of Section 92(3) of the Act is annexed herewith as “Annexure-I”.

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

With respect to 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.

With respect to Foreign exchange earnings and outgo of foreign currency, the amounts are as under:

- Expenditure in foreign currency is Rs 13,47,153 (previous year is NIL)
- Earning in foreign currency is Rs 2,23,99,762 (previous year is Rs 30,87,050)

c. DISCLOSURE RELATING TO SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

No case pertaining to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been reported to the Company during the year under review.

d. MAINTENANCE OF COST RECORDS:

The Company is not required to maintain cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 and accordingly, such accounts and records are not required to be made and maintained.

5. GENERAL:

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:

- a. Issue of Equity Shares with differential as to dividend, voting or otherwise as per Section 43 of the Companies Act, 2013.
- b. Issue of Shares (including sweat equity shares) to the employees of the Company under any scheme pursuant to Section 54 of the Companies Act, 2013.
- c. Issue of Equity Shares under Employee Stock Option Scheme as per the provisions of Section 62(1)(b) of the act read with rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014.
- d. Exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Companies Act, 2013.
- e. No payment of remuneration / commission has been made to any Director / Key Managerial Personnel from the Holding / Subsidiary Company.

6. ACKNOWLEDGEMENT:

Your Directors express sincere appreciation for the commitment of the Company's Shareholders, Auditors, Bankers all Government, Semi-Government and other agencies for their valuable support. Your Directors look forward to their continued involvement and support in the future.

**For and on behalf of Board of Directors of
PHONOGRAPHIC DIGITAL LIMITED**

**Sd/-
SOVAN LAL SAHA
Director
DIN:01096343
Place: Kolkata**

**Sd/-
SANJAY ARJUNDAS WADHWA
Director
DIN: 00203083
Place: Chennai**

Date: 7th December, 2020

Registered Office Address:

B-502,5th Floor,
VIP Plaza, New Link Road,
Andheri (West),
Mumbai - 400053

CIN: U74999MH2017PLC316341
Tel No.: 022 62368902/903/904
Website: www.pdlindia.org

R H M & Co.
Chartered Accountants

84, Janmabhoomi Marg,
1st Floor, Office No.4, Fort,
Mumbai – 400 001

Independent Auditor's Report

TO THE MEMBERS OF
PHONOGRAPHIC DIGITAL LIMITED

OPINION

We have audited the financial statements of **Phonographic Digital Limited** ("the Company"), which comprise the balance sheet as at 31st March 2020, and the statement of Profit and Loss and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the determinate/indeterminate effects of the matter described in the Basis for Qualified Opinion paragraph of our report, the aforesaid financial statements give the information required by the Companies Act, 2013 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, 2020, and its Profit and cash flow statement, for the year ended on that date.

Basis for Qualified Opinion

We draw attention in respect of booking of royalty income and its distribution, agreement for License fee (Royalty) collection has been executed at the registered office, the company has raised few invoices from its branch office in certain cases even where the contract is signed from the Registered office. Under Goods and Service Tax Act, each registrations are considered as distinct entity and supply of service provision has to be followed, which is not done, this may have an impact in the GST liability. We have relied on the management contention that no additional GST liability devolve on the company and hence, no further adjustments are required to be made.

During the year company has issued tax invoice to one of its overseas customer and charged IGST on the export invoices. The Company has received full amount from the customer. The Company has treated the tax (IGST) amount as excess amount from customer and shown under Other Current Liabilities instead of depositing the IGST tax collected to the Government. The amount involved is Rs. 9,76,216/-

The matters stated above could also have a consequential impact on the measurement and disclosures of information provided in the financial statements, in respect of, but not limited to revenue, goods and service tax, income tax, profit for the year and receivables, payables, shareholders' funds for the respective financial years which could not be ascertained.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 Companies Act, 2013 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 qualified opinion.

Emphasis of Matters

We draw attention to Note No. 2(iv) to the financial statement, in respect of Revenue Recognition, which describes the ability to assess the ultimate collection with reasonable certainty is lacking at the time of raising invoices/or as per terms of agreement, revenue recognition is postponed to the extent of uncertainty involved. In such cases, revenue is recognised only when it is reasonably certain that the ultimate collection will be made. We have relied on the management assessment in respect of invoice raised, amount collected and income deferred amounting to Rs. 2,75,49,976/- for the current year.

We draw attention to Note No 20 to the financial statement which describes the uncertainties and the management's assessment of the financial impact due to the lockdown and other restrictions imposed by the government and conditions related to Covid-19 pandemic situation, for which the company has performed sensitivity analysis on the assumptions used and based on current estimates expect that there are no material impact.

Our opinion is not modified in respect of this matter

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's management and Board of Directors are responsible for the preparation of 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. The Director's report is expected to be made available to us after the date of this auditor's report.

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 identified above when it becomes available 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

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 that give a true and fair view of the financial position and financial performance, 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.

In preparing the financial statements, the Board of Directors 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 the Board of Directors 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

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.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism 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. Under section 143(3)(i) of the Companies

Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- 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.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. 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 Companies Act, 2013, we give in the **Annexure A**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought except for the matters described in the Basis for Qualified Opinion paragraph 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) Except for the matters described in the Basis for Qualified Opinion paragraph, 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 and the Statement of Profit and Loss and cash flow statement, dealt with by this Report are in agreement with the books of account.
- (d) Except for the matters described in the Basis for Qualified Opinion paragraph, 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) The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
- (f) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- (g) With respect to the adequacy of the internal financial controls (IFC) over financial reporting of the company and the operating effectiveness of such controls, We are not required to report on the adequacy and operating effectiveness of IFC in this report since the company has a turnover of less than Rs. 50 crores as per the latest audited financial statements or the borrowings of such a company from banks or financial institutions or anybody corporate at any point of time during the Financial year is less than Rs.25 crores
- (h) 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 does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For R H M & CO.
Chartered Accountants
(Registration No.122074W)

R.H.Modi
Partner
Membership No. : 037643
UDIN :

Place: Mumbai
Date:

ANNEXURE A TO THE INDEPENDENT AUDITOR' REPORT

Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Phonographic Digital Limited

- i. In respect of its fixed assets:
 - (a) The company has maintained proper records showing full particulars, including quantitative details and situation, of its 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) According to the information and explanation given to us, the Company does not hold any immovable property. Accordingly, paragraph 3(i)(c) of the Order are not applicable
- ii. The Company is in the business of rendering services, and consequently, does not hold any inventory. Therefore, paragraphs 3(ii) of the Order are not applicable to the Company.
- iii. The Company has not granted loan secured or unsecured to any companies, firms, Limited liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. 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 securities to the parties covered under Section 185 and 186 of the Act. 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 in accordance with the provisions of sections 73 to 76 of the Act and the rules framed there under to the extend notified.
- vi. According to the information and explanations given to us, the maintenance of cost records under Section 148(1) of the Companies Act, 2013 is not applicable in view of rule 3 of the Companies (Cost Records and Audit) Amendment Rules, 2014 and therefore, the provision of clause 3 (vi) of the Order are not applicable to the Company.

- vii. According to the information and explanations given to us and the records of the Company examined by us, in our opinion
- (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Goods and Service Tax, Income-tax, Custom Duty, Excise Duty, Cess or other statutory dues applicable to it with the appropriate authorities. There were no undisputed statutory dues in arrears as on 31st of March, 2020 for a period of more than six months from the date they became payable.
- (b) There are no dues of Income-tax, Goods and Service Tax, Wealth Tax, Custom Duty, Excise Duty, Value Added Tax or Cess which have not been deposited on account of any dispute.
- viii. As the Company neither has loans or borrowings from any financial institutions 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 money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. 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 generally accepted auditing practices in India, and according to the information and explanation 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 provision 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. Accordingly, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transaction 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 Standards (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 within the meaning of Section 192 of the Act 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 R H M & CO.
Chartered Accountants
(Registration No.122074W)**

**Place: Mumbai
Date:**

**R.H.Modi
Partner
Membership No. : 037643
UDIN :**

**EXTRACT OF ANNUAL RETURN
As on 31st March, 2020**

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

FORM NO. MGT-9

I. REGISTRATION AND OTHER DETAILS

CIN	U74999WB2017PLC220029
Registration Date	17 th March, 2017
Name of the Company	PHONOGRAPHIC DIGITAL LIMITED
Category/ Sub category of the Company	Company Limited by Guarantee Indian Non- Government Company
Address of the Registered Office and Contact Details	B-502, 5th Floor, VIP Plaza, New Link Road, Andheri (West), Mumbai - 400053
Whether Listed Company	No
Name, address and contact details of Registrar and transfer agent, if any	Not Applicable

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:

Sr. No.	Name and Description of main products /services	NIC Code of the product/ Service	% to total turnover of the Company
1.	Licensing of Copyrighted Sound recordings and audio-visuals in mobile and digital modes and mediums	74999	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and address of the Company	CIN / GLN	Holding / Subsidiary/ Associate	% of shares held	Applicable Section
-	-	-	-	-	-

IV. SHARE HOLDING PATTERN (Equity Share Capital breakup as percentage of total equity)

The Company is a Company limited by guarantee not having Share Capital. Accordingly, the details pertaining to Equity Share Capital are not applicable.

V. INDEBTEDNESS

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

Particulars	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)	-	-	-	-
Change in Indebtedness during the financial year				
Addition	-	-	-	-
Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
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:

During the period under review, the Company did not have any Managing Director, Whole time Director or Manager.

B. REMUNERATION TO OTHER DIRECTORS:

During the period under review, no remuneration was paid to the Directors of the Company.

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

During the period under review, the Company was not required to appoint Key Managerial Personnel pursuant to Section 203 of the Companies Act, 2013.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act, 2013	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD/ NCLT / COURT]	Appeal made, if any (give details)
A. Company					
Penalty					Not Applicable
Punishment					
Compounding					
B. Directors					
Penalty					Not Applicable
Punishment					
Compounding					
C. Other Officers in default					
Penalty					Not Applicable
Punishment					
Compounding					

**For and on behalf of Board of Directors of
PHONOGRAPHIC DIGITAL LIMITED**

Sd/-

SOVAN LAL SAHA
Director
DIN: 01096343
Place: Kolkata
Date: 7thDecember, 2020

Sd/-

SANJAY ARJUNDAS WADHWA
Director
DIN: 00203083
Place: Chennai

Registered Office Address:

B-502,5th Floor,
VIP Plaza, New Link Road,
Andheri (West),
Mumbai - 400053

CIN: U74999MH2017PLC316341

Tel No.: 022 62368902/903/904

Website: www.pdlindia.org

Phonographic Digital Limited
Balance Sheet as at March 31, 2020

	Note	As at March 31, 2020	As at March 31, 2019
EQUITY AND LIABILITIES			
Reserves and Surplus	3	25,066,486	20,594,704
		<u>25,066,486</u>	<u>20,594,704</u>
Non Current Liabilities			
Deferred Tax Liabilities	4	287,258	106,956
Current Liabilities			
Trade Payables Due to:	5		
Micro and Small Enterprises		147,382	1,725,806
Other than Micro and Small Enterprises		25,768,118	35,514,630
Other Current Liabilities	6	60,179,430	45,948,001
Short-Term Provisions	7	288,068,241	203,043,649
		<u>374,163,171</u>	<u>286,232,086</u>
TOTAL		<u>399,516,915</u>	<u>306,933,746</u>
ASSETS			
Non-Current Assets			
Property, Plant and Equipment			
Tangible Assets	8	725,350	992,311
Intangible Assets	8	503,195	1,363,382
Intangible Assets Under Development	8	3,450,000	-
Long-Term Loans and Advances	9	1,506,861	1,810,425
		<u>6,185,406</u>	<u>4,166,118</u>
Current Assets			
Trade Receivables	10	126,774,162	61,172,244
Cash and Bank Balances	11	78,308,346	175,347,300
Short-Term Loans and Advances	12	96,309,595	56,538,217
Other Current Assets	13	91,939,406	9,709,867
		<u>393,331,509</u>	<u>302,767,628</u>
Total		<u>399,516,915</u>	<u>306,933,746</u>

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 R H M & Co
Chartered Accountants
Firm Registration Number:122074W

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

Sd/-
R H Modi
Partner
Membership No. 037643
Place: Mumbai
Date : 07.12.2020

Sd/-
Sovan Lal Saha
Director
DIN: 01096343
Place: Kolkata

Sd/-
Sanjay Wadhwa
Director
DIN:00203083
Place: Chennai

Phonographic Digital Limited
Statement of Profit and Loss for the year ended March 31, 2020

	Note	Year Ended March 31, 2020	Year Ended March 31, 2019
Revenue from Operations (Net)	14	59,407,009	63,450,045
Other Income	15	4,346,104	4,937,052
Total Revenue		63,753,113	68,387,097
Expenses			
Employee Benefits Expense	16	34,131,032	30,860,719
Depreciation and Amortisation Expense	8	1,622,064	1,224,925
Other Expenses	17	21,347,933	24,035,020
Total Expenses		57,101,029	56,120,664
Profit Before Tax		6,652,084	12,266,433
Tax Expense			
-Current Year		2,000,000	3,800,000
-Deferred Tax		180,302	91,816
Profit for the Year		4,471,782	8,374,617

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 R H M & Co
Chartered Accountants
Firm Registration Number:122074W

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

Sd/-
R H Modi
Partner
Membership No. 037643
Place: Mumbai
Date : 07.12.2020

Sd/-
Sovan Lal Saha
Director
DIN:01096343
Place: Kolkata

Sd/-
Sanjay Wadhwa
Director
DIN:00203083
Place: Chennai

Phonographic Digital Limited
Cash Flow Statement for the year ended March 31, 2020

	Year ended March 31, 2020	Year ended March 31, 2019
A. Cash flow from Operating activities		
Net profit before tax	6,652,084	12,266,433
Adjusted for:		
Depreciation and Amortisation Expense	1,622,064	1,224,925
Interest Income	4,346,104	4,937,052
Operating Profit / (Loss) before Working Capital changes	12,620,252	18,428,410
Increase/ (Decrease) in Trade Payables	(11,324,936)	33,143,922
Increase/(Decrease) in Other Liabilities	14,231,429	18,393,211
Increase/(Decrease) in Provisions	85,024,592	60,502,513
(Increase)/Decrease in Trade Receivables	(65,601,918)	21,302,119
(Increase)/ Decrease in Other Current Assets	(82,229,539)	31,652,608
(Increase)/Decrease in Loans and Advances	(39,467,814)	(39,448,645)
Cash generated from Operations	(86,747,934)	143,974,138
Taxes (Paid) / Refund [Net]	(2,000,000)	(3,800,000)
Net cash from Operating activities (A)	(88,747,934)	140,174,138
B. Cash flow from Investing activities		
Purchase of Fixed Assets	(3,953,271)	(2,498,342)
Sale of Fixed Assets	8,355	-
Interest Received	(4,346,104)	(4,937,052)
Net cash from Investing activities (B)	(8,291,020)	(7,435,394)
C. Cash flow from Financing activities		
Net cash (used in) Financing activities (C)	-	-
D. Net increase in Cash and cash equivalents (A+B+C)	(97,038,954)	132,738,744
E. Cash and Cash Equivalents as at April 1, 2019 (Opening Balance)	175,347,300	42,608,556
F. Cash and Cash Equivalents at March 31, 2020 (Closing Balance)	78,308,346	175,347,300
Net increase/(decrease) as disclosed above	(97,038,954)	132,738,744
G. Components of Cash and Cash Equivalents		
Balance with Banks:		
In Current Accounts	20,771,093	33,197,758
In Fixed Deposits with original maturity of less than 3 months	20,037,253	142,149,542
In Fixed Deposits with original maturity of more than 3 months but less than 12 months	37,500,000	-
Total Cash and Cash Equivalents	78,308,346	175,347,300

Notes:

- The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard on "Cash Flow Statements".
- 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 R H M & Co
Chartered Accountants
Firm Registration Number:122074W

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

Sd/-
R H Modi
Partner
Membership No. 037643
Place: Mumbai
Date : 07.12.2020

Sd/-
Sovan Lal Saha
Director
DIN: 01096343
Place: Kolkata

Sd/-
Sanjay Wadhwa
Director
DIN: 00203083
Place: Chennai

Phonographic Digital Limited
Notes to Financial Statements as at and for the year ended March 31, 2020

	<u>As at March 31, 2020</u>	<u>As at March 31, 2019</u>
Note 3		
Reserves and Surplus		
Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year	20,594,704	12,220,086
Profit for the year	4,471,782	8,374,617
Balance as at the end of the year	<u>25,066,486</u>	<u>20,594,704</u>
Total	<u>25,066,486</u>	<u>20,594,704</u>
Note 4		
Deferred Tax Liability		
Deferred Tax Liabilities/(Assets)	287,258	106,956
Total	<u>287,258</u>	<u>106,956</u>
Note 5		
Trade Payables		
- Members		
Micro and Small Enterprise	147,382	1,725,806
Other than Micro and Small Enterprise	25,768,118	35,514,630
Total	<u>25,915,500</u>	<u>37,240,436</u>
Note 6		
Other Current Liabilities		
Outstanding Liability for Expenses	414,165	1,034,303
Advances Received from Licensees	28,526,192	15,492,459
Statutory Dues including Provident Fund and Tax Deducted at Source	31,239,073	29,421,239
Total	<u>60,179,430</u>	<u>45,948,001</u>
Note 7		
Short-Term Provisions		
Provision for Licence Fees payable	288,068,241	203,043,649
Total	<u>288,068,241</u>	<u>203,043,649</u>
Note 9		
Long-Term Loans and Advances		
[Unsecured, Considered Good (unless otherwise stated)]		
Security Deposits	1,506,861	1,810,425
Total	<u>1,506,861</u>	<u>1,810,425</u>
Note 10		
Trade Receivables		
[Unsecured, Considered Good (unless otherwise stated)]		
Outstanding for a period exceeding six months from the date they are due for payment	4,888,917	38,231
Others	121,885,245	61,134,013
Total	<u>126,774,162</u>	<u>61,172,244</u>

Phonographic Digital Limited

Notes to Financial Statements as at and for the year ended March 31, 2020

Note 8

Fixed Assets

Block of Assets	Gross Block				Depreciation				Net Block	Net Block
	As at April 1, 2019	Additions	Disposal	As at March 31, 2020	As at April 1, 2019	For the Year	Disposal	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Tangible Assets										
Computer & Accessories	1,769,046	503,271	33,650	2,238,667	890,337	716,774	25,295	1,581,816	656,851	878,709
Office Equipment	177,416	-	-	177,416	85,519	39,485	-	125,004	52,412	91,897
Furniture and fixtures	28,000	-	-	28,000	6,295	5,619	-	11,914	16,086	21,705
Intangible Assets										
Softwares	1,867,856	-	-	1,867,856	504,474	860,187	-	1,364,661	503,195	1,363,382
Intangible Assets Under Development	-	3,450,000	-	3,450,000	-	-	-	-	3,450,000	-
Total	3,842,318	3,953,271	33,650	7,761,939	1,486,625	1,622,064	25,295	3,083,394	4,678,545	2,355,693
Previous year	1,343,976	2,498,342	-	3,842,318	261,700	1,224,925	-	1,486,625	2,355,693	1,082,276

Phonographic Digital Limited
 Previous Year: 2019-2020
 Assessment Year: 2020-2021

Clauses 14

Particulars of Depreciation allowable as per Income Tax Act, 1961 for the year ended March 31, 2020

Block of Assets	Opening Written Down Value as on April 1, 2019	Additions during the year		Sold during the year	Balance as at March 31, 2020	Rate of Depreciation		Depreciation				Closing Down Value as at March 31, 2020
		More than 180 Days	Less than 180 Days			More than 180 Days	Less than 180 Days	On Opening Balance	On Additions- More than 180 Days	On Additions-Less than 180 Days	Total	
	Rs.	Rs.	Rs.	Rs.	Rs.	%	%	Rs.	Rs.	Rs.	Rs.	Rs.
Tangible Assets												
Computer & Accessories	1,014,706	294,000	209,271	5,000	1,512,977	40.0%	20.0%	403,883	117,600	41,854	563,337	949,641
Office Equipment	135,986	-	-	-	135,986	15.0%	7.5%	20,398	-	-	20,398	115,588
Furniture and fixtures	25,200	-	-	-	25,200	10.0%	5.0%	2,520	-	-	2,520	22,680
Intangible Assets												
Softwares	1,564,259	-	-	-	1,564,259	25.0%	12.5%	391,065	-	-	391,065	1,173,194
Capital WIP - Software	-	-	3,450,000	-	3,450,000	25.0%	12.5%	-	-	-	-	3,450,000
Total	2,740,152	294,000	3,659,271	5,000	6,688,423			817,865	117,600	41,854	977,319	5,711,103

Phonographic Digital Limited
Notes to Financial Statements as at and for the year ended March 31, 2020

Note 11
Cash and Bank Balances

Cash and Cash Equivalents

Bank Balances:

In Current Accounts	20,771,093	33,197,758
In Fixed Deposits with original maturity of less than 3 months	20,037,253	142,149,542
In Fixed Deposits with original maturity of more than 3 months but less than 12 months	37,500,000	-

Total	78,308,346	175,347,300
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Note 12
Short-Term Loans and Advances

[Unsecured, Considered Good (unless otherwise stated)]

Advances Recoverable in Cash or in Kind or for Value to be Received	4,889,876	936,414
Prepaid Expenses	631,921	949,625
Balance with Government Authorities	90,787,798	54,652,178

Total	96,309,595	56,538,217
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Note 13
Other Current Assets

[Unsecured, Considered Good (unless otherwise stated)]

Interest accrued on Deposits	917,062	221,567
Unbilled Revenue	91,022,344	9,488,300

Total	91,939,406	9,709,867
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Phonographic Digital Limited
Notes to Financial Statements as at and for the year ended March 31, 2020

	<u>Year Ended March 31, 2020</u>	<u>Year Ended March 31, 2019</u>
Note 14		
Revenue from Operations (Net)		
Licence Fees income of members:		
Music & Mobile	1,016,301	7,051,114
Caller Back Ring Tone	165,447,087	218,114,927
Mobile Streaming	208,437,563	165,899,941
Over the Top (OTT)	-	15,000,000
Digital Income Others	11,554,030	481,731
	<u>386,454,981</u>	<u>406,547,713</u>
Less: Licence Fees distribution to members	<u>327,047,972</u>	<u>343,097,668</u>
	<u>327,047,972</u>	<u>343,097,668</u>
Net Amount	<u>59,407,009</u>	<u>63,450,045</u>
Note 15		
Other Income		
Interest Income on		
Fixed Deposits with Banks	4,344,829	4,931,179
Miscellaneous Income	1,275	5,873
Total	<u>4,346,104</u>	<u>4,937,052</u>
Note 16		
Employee Benefits Expense		
Salaries, Allowances and Bonus	32,422,894	29,573,769
Contribution to Provident and Other Funds	1,470,419	942,102
Staff Welfare Expenses	237,718	344,848
Total	<u>34,131,032</u>	<u>30,860,719</u>
Note 17		
Other Expenses		
Electricity Charges	569,082	580,242
Repairs and Maintenance	531,558	851,529
Rent	3,348,404	3,558,224
Insurance	288,639	158,883
Business Promotion & Meetings	137,406	358,384
Raid Expenses	-	113,395
Bad Debts w/off	1,274,194	-
Printing and Stationery	130,800	282,926
Travelling, Conveyance and Car Expenses	369,268	2,267,145
Legal & Litigation Costs	-	22,100
Professional and Retainership Fees	10,792,727	14,150,548
Payment to Auditor		
As Auditor:		
Audit Fee	275,000	275,000
Others	136,000	50,000
Postage, Telegram and Telephone	474,155	553,282
Royalty - Content Ingestion Software	1,347,153	-
Miscellaneous Expenses	1,673,547	813,362
Total	<u>21,347,933</u>	<u>24,035,020</u>

Phonographic Digital Limited

Note1. General Information

PDL (Phonographic Digital Limited) is the first of its kind a global Digital Music Collection Company supported by more than 450 right owners across worldwide & is built on Technology & Trust. PDL is created to maximize value for Sound Recording owners in today's Digital Age, while providing the highest level of Transparency & Efficiency. The Company is mainly engaged in licensing of copyrighted sound recordings and audio-visuals in mobile and digital modes and mediums.

PDL incorporated on March 17, 2017 is a Public limited company and domiciled in India having CIN U74999MH2017PLC316341, limited by guarantee and not having share capital, where liability of the members is limited.

Note2. Significant Accounting Policies:

i. Basis of preparation of financial statements:

These financial statements are prepared in conformity with Indian General Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 („the Act“) read with Rule 7 of the Companies (Accounts) Rules, 2014, provision of the Act (to the extent notified). Accounting policies have been consistently adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

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 to the Companies Act, 2013. Based on the nature of services provided and their realization 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.

ii. 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.

iii. Property, Plant and equipment:

Items of property, plant and equipment's are stated at cost less accumulated depreciation and impairment, if any. The cost of assets comprises of purchase price and directly attributable cost of bringing the assets to its working condition for its intended use including borrowing cost and incidental expenditure incurred up to the date the assets are ready for its intended use

Depreciation is provided pro rata on Written Down Value Method over the useful lives of the assets as prescribed in the Schedule II of the Companies Act, 2013. Depreciation on additions / deletions has been proportionately charged.

Nature of Fixed Asset	Lives of Asset
Computers	3 years
Office Equipment	5 years
Furniture & Fixtures	10 years
Software	3 years

Depreciation on intangible assets is not provided, since the same is under development.

iv. Revenue Recognition:

'License Fees income from Mobile and Digital is generally recognised on accrual basis (except where there are significant uncertainties) based on receipt of usage report submitted by licensees at rates and/or minimum guarantee rates as per agreements with those parties. License Fees comprises of income from Caller Ring Back Tone, Full Track Songs (Store), Mobile Streaming, Over the Top (OTT) Music/video services Mobile VAS.

Where the ability to assess the ultimate collection with reasonable certainty is lacking at the time of raising invoices/or as per terms of agreement, revenue recognition is postponed to the extent of uncertainty involved. In such cases, revenue is recognised only when it is reasonably certain that the ultimate collection will be made.

v. Other Income:

Interest Income is recognised on a time proportionate basis taking into account the amount outstanding and the rate applicable. Other sundry income is accounted on receipt basis

vi. Foreign Currency Transactions:

Foreign currency transactions are recorded at the rates prevailing at the date of transaction. Monetary items denominated in foreign currencies at the year-end are translated at the year-end rates. Any exchange differences arising on settlement/transaction are dealt with in the statement of profit and loss.

vii. 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.

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

viii. 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

ix. 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 unrecognized deferred tax assets, if any.

x. 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.

xi. 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.

Note 18 License fees distribution to members

License fees distribution has been accounted for, from the License fees Income & Other Income for the year.

Note 19 As far as trade receivable, advance paid and trade payable are concerned, balance are subject to formal confirmation. The management does not expect any material difference affecting the current period's financials statement on such reconciliation/adjustments

Note 20 The company has considered the possible effect that may result from the pandemic relating to Covid-19 on the financial results. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the company has at the date of approval of these financials result has used internal and external sources of information and economic forecasts. The company has performed sensitivity analysis on the assumptions used and based on current estimates expect that there are no material impact.

Note 21 Disclosures in respect of defined benefit plans (gratuity) as required under AS-15 (Revised) "Employee Benefits" are as under:

i) Principal assumption used in determining gratuity :

Particulars	31 st March, 2020	31 st March, 2019
Discount rate at the beginning of the period	7.25%	7.50%
Expected rate of increase in compensation level	7%	7%

ii) Change in the present value of the benefit obligations :

Particulars	31 st March, 2020	31 st March, 2019
Projected benefits obligations, as at beginning of the period	25,50,974	23,04,935
Service cost	5,90,301	4,65,465
Interest cost	1,91,323	1,72,870
Actuarial (gain) / loss on obligation	56,12,147	(3,92,296)
Projected benefit obligation end of the period	31,99,016	25,50,974

iii) Expenses recognized in statement of profit and loss :

Particulars	31 st March, 2020	31 st March, 2019
Current service cost	5,90,301	4,65,465

Interest cost	1,91,323	1,72,870
Expected return on plan assets	(2,25,042)	(2,09,327)
Net actuarial (gain)/Loss	56,12,147	(3,92,296)
Net periodic cost	61,68,729	36,712

iv) Movement in net liability recognized in balance sheet :

Particulars	31 st March, 2020	31 st March, 2019
Opening net liability	31,99,016	25,50,974
Less Fair Value of planned assets	31,70,672	30,90,384
Net assets/(liability) recognised in balance sheet	(28,344)	5,39,410

v) Fair value of plan assets

Particulars	31 st March, 2020	31 st March, 2019
Fair value of plan assets at beginning of year	30,90,384	28,81,057
Actual return on plan assets	2,25,042	2,09,327
Contributions	56,00,973	---
Benefits Paid	(57,45,729)	---
Fair value of plan assets at the end of year Funded status	31,70,672	30,90,384

The Company has applied the revised Accounting Standard AS – 15 Employee Benefits notified under the Companies (Accounting Standard) Rules, 2006. Consequent to the application of the revised AS – 15 the following disclosures have been made as required by the said statement.

Note 22 Segment Reporting:

In accordance with Accounting Standard - 17, “Segmental Reporting”, the Company has determined its business segment as issuing or granting license 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, 2020. The Company is considered to be operating in one geographical segment.

Note 23 Related Party Transactions:

A) Name of Related Parties and Related Party Relationship

a) Key Managerial Person (KMP):

- Mr.Mandar Ramesh Thakur - Director
- Mr.Atul Prasad Churamani - Director
- Mr.Sovan Lal Saha - Director
- Mr.Durgaram Kanaram Choudhary - Director

- Mr.Sajjan Kumar - Director
- Mr.Dewal Prashar – Director
- Mr. Sanjay Arjundas Wadhwa –Director
- Mr.Suresh Thangiah –Director
- Mr. Vipul Pradhan (Chief Executive Officer) (Uptill 30.04.2018)
- Mr. Karan Grover (Chief Executive Officer) (Uptill 30.06.2019)
- Mr. Prashant Dogra (Chief Executive Officer) (From 04.09.2019)

b) Enterprises owned or significantly influenced by Key Management Personnel:

- RDC Media Private Limited
- The Indian Record Manufacturing Co Ltd
- Dream Entertainment
- Simran Music Industries
- Alpine Industries
- AP International
- Meshi Creation Pvt Ltd
- Strumm Entertainment Pvt Ltd
- Meshi Webtech consultant (OPC) Pvt Ltd

B) a) The following transactions were carried out with related parties referred above

Particulars	Key Management Personnel	Enterprises in which relative of Key management Personnel have significant influence	Total
Salary & Allowances	66,43,091 (64,92,969)	-	66,43,091 (64,92,969)
Software Hosting/ Maintenance charges		1,20,000 (10,40,000)	1,20,000 (10,40,000)
Purchase of Software		--- (3,22,420)	--- (3,22,420)
Professional Fees		--- (10,000)	--- (10,000)
Trade Advance in the course of business / Receivable Amounts		3,15,091 (---)	3,15,091 (---)

b) Disclosure in respect of transactions which are more than 10% of the total transactions of the same type during the year is as under:

Particulars	Current Year 2019-20	Previous Year 2018-19
Salary & Allowances		
Mr. Vipul Pradhan	---	6,10,858
Mr Karan Grover	23,46,369	58,82,111
Mr Prashant Dogra	42,96,722	---
Software Hosting /Maintenance charges		
Meshi Webtech Consultant (OPC)Pvt Ltd	1,20,000	10,40,000
Purchase of Software		
Meshi Webtech Consultant (OPC)Pvt Ltd	---	3,22,420

Professional Fees Meshi Webtech Consultant (OPC)Pvt Ltd	---	10,000
Trade Advance in the course of business / Receivable Amounts Meshi Creations Pvt Ltd	3,15,091	---

Note 24 LEASE:

Disclosure as required by Accounting Standard (AS) 19, "Leases" issued by the Institute of Chartered Accountants of India (ICAI) are given below:

The Company's significant leasing arrangements are in respect of premises (including amenities therein as applicable) the aggregate lease rentals including payment towards amenities are charged to Profit and Loss account as Rent.

The leasing arrangement, which are cancellable and usually renewable by mutual consent on mutually agreeable terms. Under this arrangement generally refundable interest free deposits have been given. An amount of Rs.14,73,311/- (Previous Year Rs.15,76,875) towards deposit is recoverable from lessor.

The future minimum lease payment as per above lease agreement is as follows:

Future minimum Lease Payment	Current Year 2019-20	Previous Year 2018-19
Not later than One year	28,19,620	34,83,800
Later than One Year but not later than Five Years	99,77,400	11,81,800
Later than Five Years	---	---

The amount of minimum lease payments with respect to the above lease recognized in the profit and loss account for the period is Rs. 33,48,404/- (Previous Year Rs. 35,58,224)

Note 25 Deferred Taxes:

The Company has accounted for Deferred taxation in accordance with the Accounting Standards 22- "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India.

Particulars	31ST March 2020	31ST March 2019
Opening Deferred Tax (Assets) / Liability on a/c of Depreciation	1,06,956/-	15,140/-
Less : Closing Deferred Tax (Assets) / Liability on a/c of Depreciation,	2,87,258/-	1,06,956/-
Net Deferred Tax (Assets) / Liability to be disclosed in Profit and Loss	1,80,302/-	91,816/-

Note 26 Remuneration to Auditors:

Particulars	31st March 2020	31st March 2019
a) Audit Fees	2,75,000	2,75,000
b) Income Tax matters	-----	-----
c) Others	1,36,000	50,000
TOTAL	4,11,000	3,25,000

Note 27 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 follows:

Particulars	Current Year 2019-20	Previous Year 2018-19
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at the year end.	---	---
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at the year end.	---	---
Principal amount paid to the suppliers registered under the MSMED Act, beyond the appointed day during the year	1,47,382	17,25,806
Interest paid other than under Section 16 of the MSMED Act to the suppliers registered under the MSMED Act, beyond the appointed day during the Year	---	---
Interest paid under Section 16 of the MSMED Act to the suppliers registered under the MSMED Act, beyond the appointed day during the year	---	---
Interest due and paid towards suppliers registered under the MSMED Act, for payment already made	---	---
Further interest remaining due and payable for earlier Years	---	---

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors

Note 28 Foreign Currency Transactions:

- a) Expenditure in Foreign Currency- Rs.13,47,153 (Previous Year NIL)
- b) Earning in Foreign Currency – Rs. 223,99,762 (Previous Year Rs.30,87,050)

Note 29 Previous year's figures have been regrouped or rearranged wherever considered necessary to confirm to current year's presentation.

As per our report of even date
FOR R H M & CO.
CHARTERED ACCOUNTANTS
REGISTRATION NO : 122074W

FOR PHONOGRAPHIC DIGITAL LIMITED

Sd/-

R H MODI
PARTNER

Sd/-

SOVAN LAL SAHA
DIRECTOR

Sd/-

SANJAY WADHWA
DIRECTOR

MEMBERSHIP NO: 037643
PLACE: MUMBAI
DATE: 07.12.2020

DIN: 01096343

DIN: 00203083