



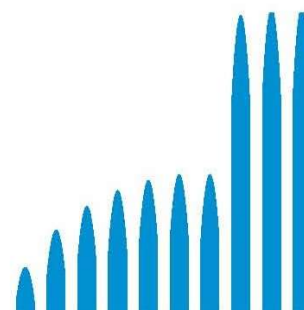
NOTICE

Notice is hereby given that the 4th Annual General Meeting (4th **AGM**) of the members of Phonographic Digital Limited ("the Company") will be held on **Thursday, 30th September, 2021 at 11.00. 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, 2021 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. Sovan Lal Saha (DIN: 01096343), who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Mandar Ramesh Thakur (DIN: 05333792), who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Atul Prasad Churamani (DIN: 00893859), who retires by rotation and, being eligible, offers himself for re-appointment.
5. The Appointment and Fixing of Remuneration of the Statutory Auditors:

"RESOLVED THAT pursuant to Sections 139, 142 of the Companies Act, 2013 ("Act") and other applicable provisions, if any, of the said Act and Companies (Audit and Auditors) Rules, 2014 made thereunder and other applicable rules, if any, under the said Act (including any statutory modification(s) or re-enactment thereof for the time being in force) M/s. Kiran Mehta & Co., Chartered Accountants (Firm Registration No. 105188W), be and are hereby appointed as the Statutory Auditors of the Company commencing from the conclusion of this Annual General Meeting till the conclusion of Ninth Annual General Meeting at a remuneration to be fixed by the Board of Directors of the Company, in addition to the re-imbursment of applicable taxes and actual out of pocket and travelling expenses incurred in connection with the audit and billed progressively."



SPECIAL BUSINESS:

6. 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. Venkataswaroop Siddavarapu Reddy (DIN: 00143738), who was appointed as an Additional Director of the Company with effect from 5th May, 2021 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.”

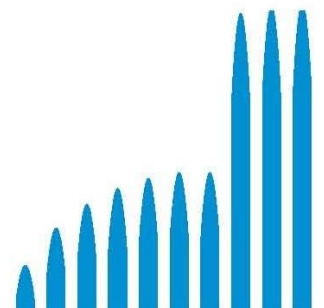
“RESOLVED FURTHER THAT any one of the Directors of the Company be and is hereby authorized to do all such acts, deeds and things as are necessary and expedient in this regard from time to time.”

For and on behalf of the Board

Sd/-

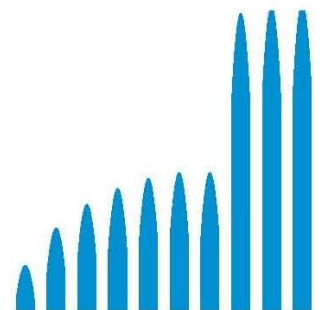
Sanjay Wadhwa
Chairman
DIN: 00203083
Place: Mumbai
Dated: 6th September, 2021

Registered Office:
B-503, VIP Plaza, Veera Estate,
Off New Link Road,
Andheri (West),
Mumbai – 400 053



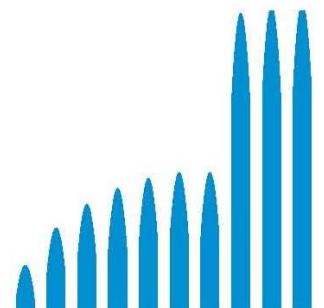
Notes:

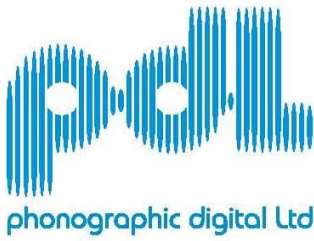
1. In view of the massive outbreak of the COVID-19 pandemic, the Ministry of Corporate Affairs (“MCA”) pursuant to Circular No. 02/2021 dated 13th January, 2021, Circular No. 20/2020 dated 5th May, 2020 read with Circular No. 14/2020 dated 8th April, 2020 and Circular No.17/2020 dated 13th April, 2020 (“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 2020-21 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 2020-21 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 OF THE COMPANIES ACT, 2013 ANNEXED TO AND FORMING PART OF THIS NOTICE:

Item Nos. 6:

With a view to broad base the management of the Company, Mr. Venkataswaroop Siddavarapu Reddy (DIN: 00143738) was appointed as Additional Director of the Company with effect from 5th May 2021. 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. Venkataswaroop Siddavarapu Reddy (DIN: 00143738) as the Directors of the Company. The Company has received the respective notice in writing from Members, proposing his candidature for the office of Director of the Company.

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

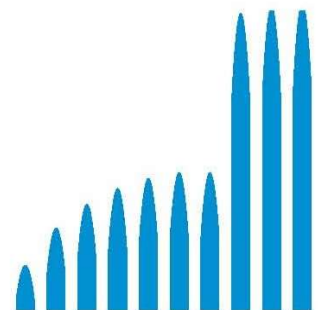
Your Directors recommend the above resolutions for your approval.

Save and except the Director 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/-

Sanjay Wadhwa
Chairman
DIN: 00203083
Place: Chennai
Dated: 6th September, 2021

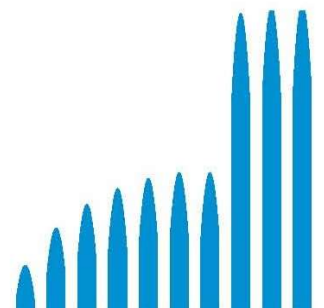


Brief Profile of the Director to be appointed:

Name of the Director	Mr. Venkataswaroop Siddavarapu Reddy (DIN: 00143738)
Age	41
Date of appointment on the Board	5 th May 2021
Education Qualification	B. Com
Background details, Recognition or awards and Experience & Expertise	As rich experience in the entertainment and associated with companies which are in this field.
Shareholding in the Company	N.A.
Terms and Condition of appointment (Other brief terms also required to be stated)	Liable to retire by rotation
Details of Remuneration sought to be paid*	NIL
Remuneration last drawn	NIL
Number of Board Meetings attended during the year	2
Relationship with other Director, Manager and other Key Managerial Personnel of the Company	N.A.
Other membership / Chairmanship of Committees of the Boards	--
Directorship in other Indian Public Limited Companies as on 31 st March 2021	NIL

*

**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
Mumbai

Dear Members,

Your Directors are delighted to present the Fourth Annual Report of the Company together with the Audited Financial Statements for the year ended 31st March 2021.

1. FINANCIAL STATEMENTS & RESULTS:

a. FINANCIAL RESULTS:

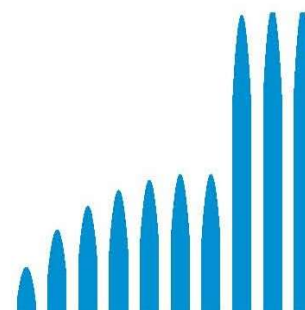
The Company's performance for the financial year ended 31st March 2021 is summarized below:

(Amount in Rs.)

Particulars	For the year ended 31 st March, 2021	For the period ended 31 st March, 2020
Income	6,25,96,788	6,37,53,113
Less : Expenses	5,06,39,636	5,71,01,029
Profit before Tax	1,19,57,152	66,52,084
Less: Tax Expense		
Current Year	36,61,484	20,00,000
Deferred Tax	(8,50,828)	1,80,302
Profit after tax	91,46,496	44,71,782

b. OPERATIONS:

The Company is a global digital music distribution Company supported by more than 450 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 in audio-visuals formats 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:

Caller Back Ring Tone:

During the year under review, the Company has earned revenue of Rs. 10,92,85,913/- as compared to previous year revenue of Rs. 16,54,47,087/- from the said business activity.

Mobile Streaming:

During the year under review, the Company has earned revenue of Rs. 30,39,57,386/- as compared to previous year revenue of Rs. 22,10,07,894/- from the said business activity.

Video Streaming:

During the year under review, the Company has earned revenue of Rs. 1,48,160/- from video streaming as compared to previous year revenue of Rs. Nil.

DISTRIBUTION OF LICENSE FEE TO MEMBERS:

As on date, the Company has more than 450 Members. During the year under review, the Company distributed license fee aggregating to Rs. 35,60,51,856/- in respect of the license fees earned till March 2021 as compared to previous year ended 31st March 2020 of Rs. 32,70,47,972/-.

c. 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.

d. TRANSFER TO RESERVES:

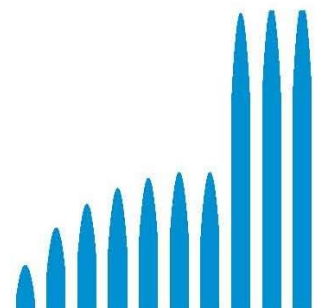
During the year under review, the Company was not required to transfer any amount to reserves.

e. 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.

f. DISCLOSURES UNDER SECTION 134(3)(I) OF THE COMPANIES ACT, 2013:

As on 9th April 2021, the Company has purchased the office premises situated at office No. B-503, 5th Floor, VIP Plaza, New Link Road, Andheri West, Mumbai-400053, from GEKOM LOGISTICS PRIVATE LIMITED at a consideration of Rs. 3,25,75,500/- (Rupees Three Crores Twenty-Five Lacs Seventy-Five Thousand and Five Hundred only). The Company had availed overdraft facility from ICICI Bank Limited, as on 31st March 2021, of Rs 2,45,00,000/- and the company had utilised an overdraft of Rs. 12,68,386/- as on 31st March 2021. As on date of this report, the overdraft has been neutralized to zero.



Except as disclosed above, no material changes and commitments which could affect the Company's financial position have occurred between 1st April, 2021 and the date of this report.

g. 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.

h. 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 are 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: Nil**

i. 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.

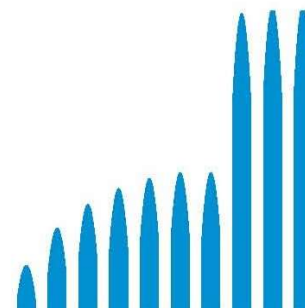
2. MATTERS RELATED TO DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Mr. Sovan Lal Saha (DIN:01096343), Mr. Mandar Ramesh Thakur (DIN:05333792) and Mr. Atul Prasad Churamani (DIN: 00893859) 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 year under review, Mr. Dewal Prashar (DIN: 06391286) had resigned from the post of Director of the Company effective from 2nd March 2021. The Board expresses its sincere appreciation for the guidance given/valuable services rendered by Mr. Dewal Prashar during his tenure as a director of the Company.

Further, during the year under review, Mr. Venkataswaroop Siddavarapu Reddy (DIN: 00143738) was appointed as Additional Directors of the company with effect from 5th May, 2021, 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 notice from the Members of the Company proposing the candidature of Mr. Venkataswaroop Siddavarapu Reddy as a Director at the ensuing Annual General Meeting.

The Board recommends the appointment of the aforesaid Directors.



3. **DISCLOSURES RELATED TO BOARD:**

a. **MEETINGS OF THE BOARD:**

The Board of Directors met Five times during the year ended 31st March, 2021 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 year ended 31st March, 2021, the Board of Directors hereby confirms that:

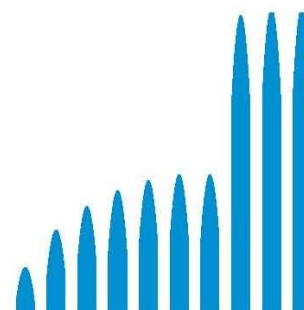
- (a) in the preparation of the annual accounts for the year ended 31st March, 2021, the applicable accounting standards had been followed and there have been no material departures from the same;
- (b) such accounting policies have been selected and applied consistently and the Directors made judgments 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, 2021 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.



4. **AUDITORS AND REPORTS:**

M/s. R H M & Co., Chartered Accountants (Firm Registration No. 122074W), Mumbai have tendered their resignation from the post of Auditors causing casual vacancy in the office of Statutory Auditors of the company as envisaged by section 139(8) of the Companies Act, 2013 ("Act"). The extra ordinary General meeting was held on 31st May 2021, members appointed M/s. Kiran Mehta & Co., Chartered Accountants (Firm Registration No. 105188W), Mumbai as statutory auditors for the financial year 2020-21. The Term of M/s. Kiran Mehta & Co., Chartered Accountants will be completed upon the conclusion of this Annual General Meeting and they have confirmed their eligibility and willingness to accept the office of auditors, if appointed in ensuing Annual General Meeting for the next five financial years commencing from the financial year 2022-2026. The Board of Directors recommends their appointment.

The Company has received a certificate from the auditors to the effect that if they are reappointed, it would be in accordance with the provisions of Section 141 of Companies Act, 2013.

There are no qualifications or observations or remarks made by the Auditors in their Report.

a. **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.

5. **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:**

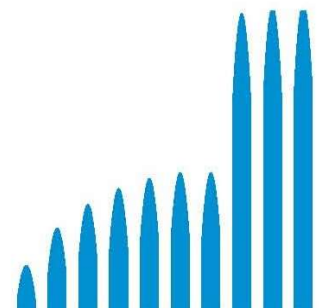
Pursuant to the provisions of Section 134(3)(a) of the Companies Act, 2013, the details forming part of the extract of the Annual Return in form MGT- 9 for the year ended 31st March, 2021 made under the provisions of Section 92(3) of the Act is annexed herewith as "**Annexure-I**".

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

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.

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.

e. SHIFTING OF REGISTERED OFFICE OF THE COMPANY:

The Company has shifted its registered office address from existing premises situated at office No. B-502, 5th Floor, VIP Plaza New Link Road, Andheri (W) Mumbai-400053 to Office No. B-503, 5th Floor, VIP Plaza, New Link Road, Andheri West, Mumbai-400053 with effect from 5th May 2021.

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/-

SANJAY WADHWA
Director
DIN:00203083

Place: Chennai
Date: 6th September, 2021

Registered Office Address:

B-503,5th Floor,
VIP Plaza, New Link Road,
Andheri (West),
Mumbai - 400053

CIN: U74999MH2017PLC316341

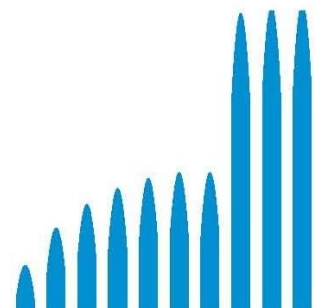
Tel No.: 022 62368902/903/904

Website: www.pdlindia.org

Sd/-

SURESH THANGIAH
Director
DIN: 00876303

Place: Mumbai
Date: 6th September, 2021



**EXTRACT OF ANNUAL RETURN
As on 31st March, 2021**

[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	U74999MH2017PLC316341
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-503, 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	12,68,386.77	-	-	-
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)	12,68,386.77	-	-	12,68,386.77

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/-

SANJAY ARJUNDAS WADHWA
Director
DIN: 00203083
Place: Chennai
Date: 6th September, 2021

Sd/-

SURESH THANGIAH
Director
DIN: 00876303
Place: Mumbai
Date: 6th September, 2021

Registered Office Address:

B-503, 5th Floor,
VIP Plaza, New Link Road,
Andheri (West),
Mumbai - 400053

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

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF PHONOGRAPHIC DIGITAL LIMITED**

Report on Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **PHONOGRAPHIC DIGITAL LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss and the 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, the aforesaid Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and loss and its cash flows for the year ended on that date.

Basis for Opinion

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 opinion.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, namely the Board's Report including annexures to Board'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 identified above 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 the Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters 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, 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 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, 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.

The 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 are also:

- (a) 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.
- (b) 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 entity's internal controls.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (d) 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.
- (e) 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.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of the users of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

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

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 "**Annexure A**", a Statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable. As required by section 143(3) of the Act, we report, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agree with the books of account.
- d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors of the Company as on March 31, 2021, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, from being appointed as a director in terms of section 164(2) of the Act.

f) This report does not include Report on the internal financial controls with reference to financial statements under clause (i) of sub - section 3 of section 143 of the Act (the 'Report on internal financial controls'), since in our opinion and according to the information and explanation given to us, the said report on internal financial controls with reference to financial statements is not applicable to the Company based on the exemption available under Ministry of Corporate Affairs (MCA) notification no. G.S.R. 583(E) dated June 13, 2017, read with corrigendum dated July 13, 2017 on reporting on internal financial controls.

g) In our opinion and to the best of our information and according to the explanations given to us, the Company being a private limited company, section 197 of the Act related to the managerial remuneration is not applicable.

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 are no amounts, which were required to be transferred to the Investor Education and Protection Fund by the Company.

For KIRAN MEHTA & CO.
CHARTERED ACCOUNTANTS
Firm Registration Number 105188W

Sd/-

VIRAL KIRAN MEHTA
PARTNER
Membership Number 108853
UDIN: 21108853AAABSK4823

Place: Mumbai
Date: September 6, 2021

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in Para 1 'Report on Other Legal and Regulatory Requirements' in our Independent Auditors' Report to the members of the Company on the Financial Statements for the year ended March 31, 2021.

Statement on Matters specified in paragraphs 3 & 4 of the Companies (Auditor's Report) Order, 2016:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a program for verification of fixed assets. There were no discrepancies observed during the verification conducted by the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no immovable properties owned by the Company.

(ii) The Company does not hold any inventory and hence the question of commenting on the physical verification of inventory being conducted at regular intervals by the Management and the reasonableness and adequacy of the procedures of physical verification in relation to the size of the Company and the nature of its business, does not arise as at the year-end. As the Company does not hold any inventory at any time during the year, the question of commenting on adjustment of discrepancies noticed on physical verification of inventory does not arise.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, and limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Therefore, the provisions of sub-clause (a), (b) and (c) of paragraph 3(iii) of the Order are not applicable.

(iv) In our opinion and according to the information and explanations given to us and the records examined by us, the Company has not advanced any loans or made any investments or provided any guarantees or security to the parties covered under sections 185 and 186 of the Act. Therefore, the provisions of paragraph 3(iv) of the Order are not applicable to the Company.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any Deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the Rules framed thereunder are not applicable.

(vi) In our opinion and according to the information and explanations given to us, the maintenance of cost records under sub-section (1) of section 148 of the Act is not applicable to the Company under the Companies (Cost Records and Audit) Rules, 2014.

(vii) (a) According to the information and explanations given to us and the records examined by us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Goods and Service Tax, Cess and other material statutory dues with the appropriate authorities. According to the information and explanations given to us, there are no arrears of outstanding statutory dues in respect of above as at the last day of the financial year for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us and the records examined by us, there are no dues outstanding of Income Tax, Sales Tax, Service Tax, Value added tax and Goods and Service Tax on account of any dispute.

(viii) According to the information and explanations given to us and based on examination of the records, the Company does not have any borrowings from financial institutions, bank, Government and has not issued any debentures, hence the provisions of paragraph 3(viii) of the Order are not applicable.

(ix) The Company has not raised money through initial public offer and term loans, hence the provisions of paragraph 3(ix) of the Order are not applicable.

(x) During the course of our examination of the books of account and records of the Company, and according to the information and explanation given to us and representations made by the management, no material fraud by or on the Company, has been noticed or reported during the year.

(xi) The Company is a section 8 company and hence the provisions of section 197 of the Act do not apply to the Company.

(xii) The Company is not a Nidhi Company and hence reporting under paragraph 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with section 188 of the Act. The details of such related party transactions have been disclosed in the Financial Statements as required by Accounting Standard (AS) 18 Related Party Disclosures specified under section 133 of the Act.

KIRAN MEHTA & CO.
CHARTERED ACCOUNTANTS

KIRAN O. MEHTA B. COM., F.C.A., GRAD., C.W.A.
ARPAN K. MEHTA B.COM., F.C.A., D.I.S.A.
VIRAL K. MEHTA B. COM., F.C.A., L.L.B.

HEAD OFFICE : 11, 12 & 13, 2nd Floor, Medows House,
Medows Street, Tamarind Lane,
Flora Fountain, Mumbai-400 001.
Tel. : 67495263 - 77 / 2267 7062
Fax : 2264 1135
E-mail : contact@kiranmehtaca.com

Further the Company is not required to constitute an audit committee under section 177 of the Act, and accordingly, to this extent, paragraph 3(xiii) of the Order is 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 and hence reporting under paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with the directors of the Company or its Holding Company or persons connected with them and hence provisions of section 192 of the Act are not applicable. The Company does not have an associate Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934, hence the provisions of paragraph 3(xvi) of the Order are not applicable.

For KIRAN MEHTA & CO.
CHARTERED ACCOUNTANTS
Firm Registration Number 105188W

Sd/-

VIRAL KIRAN MEHTA
PARTNER
Membership Number 108853
UDIN:21108853AAABSK4823

Place: Mumbai

Date: September 6, 2021

Phonographic Digital Limited
Balance Sheet as at March 31, 2021

	Note	As at March 31, 2021	As at March 31, 2020
EQUITY AND LIABILITIES			
Reserves and Surplus	3	3,42,12,982	2,50,66,486
		<u>3,42,12,982</u>	<u>2,50,66,486</u>
Non Current Liabilities			
Deferred Tax Liabilities	4	-	2,87,258
Current Liabilities			
Trade Payables Due to:	5		
Micro and Small Enterprises		1,49,343	1,47,382
Other than Micro and Small Enterprises		2,81,46,948	2,57,68,118
Other Current Liabilities	6	3,22,41,519	6,01,79,430
Short-Term Provisions	7	20,58,45,278	28,80,68,241
		<u>26,63,83,087</u>	<u>37,41,63,171</u>
TOTAL		<u>30,05,96,069</u>	<u>39,95,16,915</u>
ASSETS			
Non-Current Assets			
Property, Plant and Equipment			
Tangible Assets	8	6,02,202	7,25,350
Intangible Assets	8	41,23,183	5,03,195
Intangible Assets Under Development	8	-	34,50,000
Long-Term Loans and Advances	9	14,86,504	15,06,861
Deferred Tax Assets	10	5,63,570	-
		<u>67,75,460</u>	<u>61,85,406</u>
Current Assets			
Trade Receivables	11	5,40,76,282	12,67,74,162
Cash and Bank Balances	12	8,02,85,631	7,83,08,346
Short-Term Loans and Advances	13	7,65,42,305	9,63,09,595
Other Current Assets	14	8,29,16,391	9,19,39,406
		<u>29,38,20,609</u>	<u>39,33,31,509</u>
Total		<u>30,05,96,069</u>	<u>39,95,16,915</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 Kiran Mehta & Co.
Chartered Accountants
Firm Regn. No. 105188W

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

Sd/-

Sd/-

Sd/-

(Viral K. Mehta)
Partner
(M. No. 108853)
UDIN: 21108853AAAABSK4823
Place: Mumbai
Date : 06/09/2021

SANJAY WADHWA
Director
DIN:00203083

SURESH THANGIAH
Director
DIN: 00876303

Phonographic Digital Limited
Statement of Profit and Loss for the year ended March 31, 2021

	Note	Year Ended March 31, 2021	Year Ended March 31, 2020
Revenue from Operations (Net)	15	5,73,39,603	5,94,07,009
Other Income	16	52,57,185	43,46,104
Total Revenue		6,25,96,788	6,37,53,113
Expenses			
Employee Benefits Expense	17	2,53,93,611	3,41,31,032
Depreciation and Amortisation Expense	8	35,02,905	16,22,064
Other Expenses	18	2,17,43,120	2,13,47,933
Total Expenses		5,06,39,636	5,71,01,029
Profit Before Tax		1,19,57,152	66,52,084
Tax Expense			
-Current Year		36,61,484	20,00,000
-Deferred Tax		(8,50,828)	1,80,302
Profit for the Year		91,46,496	44,71,782

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 Kiran Mehta & Co.
Chartered Accountants
 Firm Regn. No. 105188W

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

Sd/-

Sd/-

Sd/-

(Viral K. Mehta)
Partner
 (M. No. 108853)
 UDIN: 21108853AAAABSK4823
 Place: Mumbai
 Date : 06/09/2021

SANJAY WADHWA
Director
DIN:00203083

SURESH THANGIAH
Director
DIN: 00876303

Phonographic Digital Limited
Cash Flow Statement for the year ended March 31, 2021

	Year ended March 31, 2021	Year ended March 31, 2020
A. Cash flow from Operating activities		
Net profit before tax	1,19,57,152	66,52,084
Adjusted for:		
Depreciation and Amortisation Expense	35,02,905	16,22,064
Interest Income	52,57,185	43,46,104
Operating Profit / (Loss) before Working Capital changes	2,07,17,242	1,26,20,252
Increase/ (Decrease) in Trade Payables	23,80,790	(1,13,24,936)
Increase/(Decrease) in Other Liabilities	(2,79,37,911)	1,42,31,429
Increase/(Decrease) in Provisions	(8,22,22,963)	8,50,24,592
(Increase)/Decrease in Trade Receivables	7,26,97,880	(6,56,01,918)
(Increase)/ Decrease in Other Current Assets	90,23,015	(8,22,29,539)
(Increase)/Decrease in Loans and Advances	1,97,87,647	(3,94,67,814)
Cash generated from Operations	1,44,45,700	(8,67,47,934)
Taxes (Paid) / Refund [Net]	(36,61,484)	(20,00,000)
Net cash from Operating activities (A)	1,07,84,216	(8,87,47,934)
B. Cash flow from Investing activities		
Purchase of Fixed Assets	(44,23,746)	(39,53,271)
Sale of Fixed Assets	-	8,355
Fixed Assets scrapped off	8,74,000	-
Interest Received	(52,57,185)	(43,46,104)
Net cash from Investing activities (B)	(88,06,931)	(82,91,020)
C. Cash flow from Financing activities		
Net cash (used in) Financing activities (C)	-	-
D. Net increase in Cash and cash equivalents (A+B+C)	19,77,285	(9,70,38,954)
E. Cash and Cash Equivalents as at April 1, 2020 (Opening Balance)	7,83,08,346	17,53,47,300
F. Cash and Cash Equivalents at March 31, 2021 (Closing Balance)	8,02,85,631	7,83,08,346
Net increase/(decrease) as disclosed above	19,77,285	(9,70,38,954)
G. Components of Cash and Cash Equivalents		
Balance with Banks:		
In Current Accounts	1,32,85,631	2,07,71,093
In Fixed Deposits with original maturity of less than 3 months	2,70,00,000	2,00,37,253
In Fixed Deposits with original maturity of more than 3 months but less than 12 months	4,00,00,000	3,75,00,000
Total Cash and Cash Equivalents	8,02,85,631	7,83,08,346

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".
- 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 Kiran Mehta & Co.
Chartered Accountants
Firm Regn. No. 105188W

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

Sd/-

Sd/-

Sd/-

(Viral K. Mehta)
Partner
(M. No. 108853)
UDIN: 21108853AAABSK4823
Place: Mumbai
Date : 06/09/2021

SANJAY WADHWA
Director
DIN:00203083

SURESH THANGIAH
Director
DIN: 00876303

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.

As regards royalty provision for royalty payable to members in relation to royalty received from Wynk, Saavan and Gaana at 90% during the year under review.

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

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.

During the year under review the management has written off software expenses of Rs. 8,74,000 to Profit and Loss Account incurred towards Software Development paid to Dotcom Services (India) Pvt Ltd, since the same is not commercially usable and has not been put to use.

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.

Phonographic Digital Limited
Notes to Financial Statements as at and for the year ended March 31, 2021

	As at March 31, 2021	As at March 31, 2020
Note 3		
Reserves and Surplus		
Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year	2,50,66,486	2,05,94,703
Profit for the year	91,46,496	44,71,782
Balance as at the end of the year	<u>3,42,12,982</u>	<u>2,50,66,486</u>
Total	<u>3,42,12,982</u>	<u>2,50,66,486</u>
Note 4		
Deferred Tax Liability		
Deferred Tax Liabilities/(Assets)	-	2,87,258
Total	<u>-</u>	<u>2,87,258</u>
Note 5		
Trade Payables		
- Members		
Micro and Small Enterprise	1,49,343	1,47,382
Other than Micro and Small Enterprise	2,81,46,948	2,57,68,118
Total	<u>2,82,96,290</u>	<u>2,59,15,500</u>
Note 6		
Other Current Liabilities		
Outstanding Liability for Expenses	18,96,514	4,14,165
Advances Received from Licensees	1,30,45,635	2,85,26,192
Statutory Dues including Provident Fund and Tax Deducted at Source	1,60,30,983	3,12,39,073
Bank Overdraft	12,68,387	-
Total	<u>3,22,41,519</u>	<u>6,01,79,430</u>
Note 7		
Short-Term Provisions		
Provision for Licence Fees payable	20,58,45,278	28,80,68,241
Total	<u>20,58,45,278</u>	<u>28,80,68,241</u>
Note 9		
Long-Term Loans and Advances		
[Unsecured, Considered Good (unless otherwise stated)]		
Security Deposits	14,86,504	15,06,861
Total	<u>14,86,504</u>	<u>15,06,861</u>
Note 10		
Deferred Tax Assets		
Deferred Tax Liabilities/(Assets)	5,63,570	-
Total	<u>5,63,570</u>	<u>2,87,258</u>

Phonographic Digital Limited
Notes to Financial Statements as at and for the year ended March 31, 2021

Note 11
Trade Receivables

[Unsecured, Considered Good (unless otherwise stated)]		
Outstanding for a period exceeding six months from the date they are due for payment	90,81,768	48,88,917
Others	4,49,94,514	12,18,85,245
Total	5,40,76,282	12,67,74,162

Note 12
Cash and Bank Balances

Cash and Cash Equivalents

Bank Balances:		
In Current Accounts	1,32,85,631	2,07,71,093
In Fixed Deposits with original maturity of less than 3 months	2,70,00,000	2,00,37,253
In Fixed Deposits with original maturity of more than 3 months but less than 12 months	4,00,00,000	3,75,00,000
Total	8,02,85,631	7,83,08,346

Note 13
Short-Term Loans and Advances

[Unsecured, Considered Good (unless otherwise stated)]		
Advances Recoverable in Cash or in Kind or for Value to be Received	1,65,41,048	48,89,876
Prepaid Expenses	5,78,108	6,31,921
Balance with Government Authorities	5,94,23,149	9,07,87,798
Total	7,65,42,305	9,63,09,595

Note 14
Other Current Assets

[Unsecured, Considered Good (unless otherwise stated)]		
Interest accrued on Deposits	1,94,098	9,17,062
Unbilled Revenue	8,27,22,293	9,10,22,344
Total	8,29,16,391	9,19,39,406

Phonographic Digital Limited
Notes to Financial Statements as at and for the year ended March 31, 2021

Note 8
Fixed Assets

Block of Assets	Gross Block				Depreciation				Net Block	Net Block
	As at April 1, 2020	Additions	Disposal	As at March 31, 2021	As at April 1, 2020	For the Year	Disposal	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Tangible Assets										
Computer & Accessories	22,38,667	4,79,766	-	27,18,433	15,81,816	5,80,720	-	21,62,536	5,55,897	6,56,851
Office Equipment	1,77,416	-	-	1,77,416	1,25,004	22,494	-	1,47,497	29,919	52,412
Furniture and fixtures	28,000	4,980	-	32,980	11,914	4,680	-	16,594	16,386	16,086
Intangible Assets										
Softwares	18,67,856	65,15,000	-	83,82,856	13,64,661	28,95,012	-	42,59,673	41,23,183	5,03,195
Intangible Assets Under Development	34,50,000	4,24,000	38,74,000	-	-	-	-	-	-	34,50,000
Total	77,61,939	74,23,746	38,74,000	1,13,11,685	30,83,394	35,02,905	-	65,86,300	47,25,386	46,78,545
Previous year	38,42,318	39,53,271	33,650	77,61,939	14,86,625	16,22,064	25,295	30,83,394	46,78,545	23,55,693

Phonographic Digital Limited
Previous Year: 2020-2021
Assessment Year: 2021-2022

Clauses 14

Particulars of Depreciation allowable as per Income Tax Act, 1961 for the year ended March 31, 2021

Block of Assets	Opening Written Down Value as on April 1, 2020	Additions during the year		Sold during the year	Balance as at March 31, 2021	Rate of Depreciation		Depreciation				Closing Written Down Value as at March 31, 2021
		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	9,49,640	2,76,966	2,02,800	-	14,29,406	40.0%	20.0%	3,79,856	1,10,786	40,560	5,31,202	8,98,204
Office Equipment	1,15,588	-	-	-	1,15,588	15.0%	7.5%	17,338	-	-	17,338	98,250
Furniture and fixtures	22,680	-	4,980	-	27,660	10.0%	5.0%	2,268	-	249	2,517	25,143
Intangible Assets												
Softwares	11,73,194	51,00,000	14,15,000	-	76,88,194	25.0%	12.5%	2,93,299	12,75,000	1,76,875	17,45,174	59,43,021
Capital WIP - Software	34,50,000	-	-	34,50,000	-	25.0%	12.5%	-	-	-	-	-
Total	57,11,102	53,76,966	16,22,780	34,50,000	92,60,848			6,92,761	13,85,786	2,17,684	22,96,231	69,64,617

Phonographic Digital Limited
Notes to Financial Statements as at and for the year ended March 31, 2021

	<u>Year Ended</u> <u>March 31, 2021</u>	<u>Year Ended</u> <u>March 31, 2020</u>
Note 15		
Revenue from Operations (Net)		
Licence Fees income of members:		
Caller Back Ring Tone	10,92,85,913	16,54,47,087
Mobile Streaming	30,39,57,386	22,10,07,894
Video Streaming	1,48,160	-
	<u>41,33,91,459</u>	<u>38,64,54,981</u>
Less: Licence Fees distribution to members	<u>35,60,51,856</u>	<u>32,70,47,972</u>
	<u>35,60,51,856</u>	<u>32,70,47,972</u>
Net Amount	<u>5,73,39,603</u>	<u>5,94,07,009</u>
Note 16		
Other Income		
Interest Income on		
Fixed Deposits with Banks	20,05,236	43,44,829
Income Tax Refund	32,51,949	-
Miscellaneous Income	-	1,275
Total	<u>52,57,185</u>	<u>43,46,104</u>
Note 17		
Employee Benefits Expense		
Salaries, Allowances and Bonus	2,38,70,529	3,24,22,894
Contribution to Provident and Other Funds	14,93,927	14,70,419
Staff Welfare Expenses	29,155	2,37,718
Total	<u>2,53,93,611</u>	<u>3,41,31,032</u>
Note 18		
Other Expenses		
Electricity Charges	1,14,228	5,69,082
Repairs and Maintenance	3,20,189	5,31,558
Rent	28,23,710	33,48,404
Insurance	2,82,570	2,88,639
Business Promotion & Meetings	2,97,335	1,37,406
Bad Debts w/off	-	12,74,194
Printing and Stationery	31,568	1,30,800
Travelling, Conveyance and Car Expenses	5,39,727	3,69,268
Professional and Retainership Fees	1,32,54,443	1,07,92,727
Postage, Telegram and Telephone	9,32,180	4,74,155
Royalty - Content Ingestion Software	-	13,47,153
Interest of Late Payment of GST	2,266	98,926
Interest on late payment of TDS	2,76,718	3,74,884
Miscellaneous Expenses	28,68,185	16,10,737
Total	<u>2,17,43,120</u>	<u>2,13,47,933</u>

Note 19 License fees distribution to members

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

Note 20 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 21 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 22 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, 2021	31 st March, 2020
Discount rate at the beginning of the period	7.00%	7.25%
Expected rate of increase in compensation level	5%	7%

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

Particulars	31 st March, 2021	31 st March, 2020
Projected benefits obligations, as at beginning of the period	31,99,016	25,50,974
Service cost	2,02,712	5,90,301
Interest cost	1,13,529	1,91,323
Actuarial (gain) / loss on obligation	(2,94,662)	56,12,147
(Benefits Paid)	(11,47,270)	-----
Projected benefit obligation end of the period	20,73,325	31,99,016

iii) **Expenses recognized in statement of profit and loss :**

Particulars	31 st March, 2021	31 st March, 2020
Current service cost	2,02,712	5,90,301
Interest cost	1,13,529	1,91,323
Expected return on plan assets	(1,80,518)	(2,25,042)
Net actuarial (gain)/Loss	(2,94,662)	56,12,147
Net periodic cost	(1,58,939)	61,68,729

iv) **Movement in net liability recognized in balance sheet :**

Particulars	31 st March, 2021	31 st March, 2020
Opening net liability	20,73,325	31,99,016
Less Fair Value of planned assets	22,03,920	31,70,672
Net assets/(liability) recognised in balance sheet	1,30,595	(28,344)

v) **Fair value of plan assets**

Particulars	31 st March, 2021	31 st March, 2020
Fair value of plan assets at beginning of year	31,70,672	30,90,384
Actual return on plan assets	1,80,518	2,25,042
Contributions	----	56,00,973
Benefits Paid	(11,47,270)	(57,45,729)
Fair value of plan assets at the end of year Funded status	22,03,920	31,70,672

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 23 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, 2021. The Company is considered to be operating in one geographical segment.

Note 24 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 (Resigned on 02/03/2021)
- Mr. Sanjay Arjundas Wadhwa –Director
- Mr.Suresh Thangiah –Director
- Mr.Sushilkumar Shankarlal Agrawal
- Mr.Venkataswaroop Siddavarapu Reddy
- Mr. Deepak Dharampal Bali
- Mr. Prashant Dogra (Chief Executive Officer)

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 Records
- AP International
- Meshi Creation Pvt Ltd
- Strumm Entertainment Pvt Ltd
- Sky Digital
- Meshi Webtech consultant (OPC) Pvt Ltd
- Bennett Coleman and Company Limited
- Turnkey Music & Publishing Pvt Ltd
- Ultra Media & Entertainment Pvt Ltd
- SNS Movie Production LLP
- Plasma Records Entertainment 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	74,89,200 (66,43,091)	----	74,89,200 (66,43,091)
Software Hosting/ Maintenance charges	-----	----- (1,20,000)	---- (1,20,000)
Royalty paid pending Reconciliation	-----	10,96,800 (3,15,091)	10,96,800 (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 2020-21	Previous Year 2019-20
Salary & Allowances		
Mr Karan Grover	---	23,46,369
Mr Prashant Dogra	74,89,200	42,96,722
Software Hosting /Maintenance charges		
Meshi Webtech Consultant (OPC)Pvt Ltd	----	1,20,000

Note 25 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.14,52,954/- (Previous Year Rs. 14,73,311/-) 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 2020-21	Previous Year 2019-20
Not later than One year	13,85,750	28,19,620
Later than One Year but not later than Five Years	---	99,77,400
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. 28,23,710/- (Previous Year Rs. 33,48,404)

Note 26 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	31 ST March 2021	31 ST March 2020
Opening Deferred Tax (Assets) / Liability on a/c of Depreciation	2,87,258/-	1,06,956/-
Less : Closing Deferred Tax (Assets) / Liability on a/c of Depreciation,	(5,63,570/-)	2,87,258/-
Net Deferred Tax (Assets) / Liability to be disclosed in Profit and Loss	(8,50,828/-)	1,80,302/-

Note 27 Remuneration to Auditors:

Particulars	31 ST March 2021	31 ST March 2020
a) Audit Fees	12,00,000	2,75,000
b) Others	-----	1,36,000
TOTAL	12,00,000	4,11,000

Note 28 The Company has certain dues to suppliers registered under Micro, Small and Medium

Note 28 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 2020-21	Previous Year 2019-20
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at the year end.	1,49,343	1,47,382
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
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 29 Foreign Currency Transactions:

- a) Expenditure in Foreign Currency- Rs. NIL (Previous Year 13,47,153)
- b) Earning in Foreign Currency – Rs. 4,73,28,574 (Previous Year Rs.223,99,762)

Note 30 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 Kiran Mehta & Co.
Chartered Accountants
 Registration No : 105188W

FOR PHONOGRAPHIC DIGITAL LIMITED

Sd/-

Sd/-

Sd/-

Viral K. Mehta
Partner
 Membership No: 108853
 UDIN: 21108853AAABSK4823
 Place: MUMBAI
 Date: 06/09/2021

SANJAY WADHWA
DIRECTOR
DIN: 00203083

SURESH THANGIAH
DIRECTOR
DIN: 00876303