

THE INDIAN PERFORMING RIGHT SOCIETY LIMITED



Creators /
Author / Composer

Owners
Publishers



ANNUAL REPORT 2015-16

DIRECTORS OF THE GOVERNING COUNCIL



SHRI HASAN KAMAAL
CHAIRMAN



SHRI ABHILASH



SHRI SAMUEL JOSEPH



SHRI PIRAISUDAN



SHRI KUMAR TAURANI
TIPS INDUSTRIES



SHRI GANESH JAIN
VENUS WORLDWIDE



SHRI SRIDHAR SUBRAMANIAM
SONY MUSIC



SHRI DEVRAJ SANYAL
UNIVERSAL MUSIC



SHRI G. B. AAYEER
SAREGAMA INDIA



SHRI RAKESH NIGAM
CEO

MEMBERS OF THE GOVERNING COUNCIL

(AS AT 11TH AUGUST 2016)

Composer Members

Mr Samuel Joseph

Author Members

Mr Hasan Kamaal

(Chairman)

Mr Piraisudan

Mr Abhilash

Publisher Members

Universal Music India Ltd.

Venus Worldwide Entertainment Private Limited

Tips Industries Ltd.

Saregama India Ltd.

Sony Music Entertainment India Pvt Ltd.

BANKERS

Bank of India
Indian Bank
Indian Overseas Bank

LEGAL COUNSELS

Mr Pravin Anand
Ms Tanvi Misra
Mr Amit Prasad
Mr Pragyan Sharma
Mr Shekhar Mennon
Mr Sandeep Marne
Mr Himanshu Bagai
Mr Phiroze Edulji
Mr Gaurav Chopra

AUDITORS

M/s R K Khanna & Associates

REGISTERED OFFICE

208, Golden Chambers, New Andheri Link Road,
Andheri (W), Mumbai - 400 053.
Telephones : 2673 3748 / 2673 3749 / 2673 3750 / 2673 6616 Fax : 2673 6658
Email : admin@iprsltd.com

ADMINISTRATIVE OFFICES

Southern

Flat No D-1, Second Floor,
Parsn Paradise Residential Apts.,
109, G N Chetty Road, T Nagar,
Chennai - 600 017.
Tel. : (044) 2834 1056
Email : chennaioffice@iprsltd.com

Northern

317, Som Datt Chamber - 1,
5, Bhikaiji Cama Palace,
New Delhi - 110 066.
Tel. : (011) 2610 1556
Telfax : 011 2610 1572
Email: delhioffice@iprsltd.com

Eastern

Room No. 2 & 5, Asian Hotel Building, P-38 Princep Street, Kolkatta - 700 072
Tel. : (033) 4005 4450 / 4453
Email : kolkattaoffice@iprsltd.com

BOARD'S REPORT PRESENTED BY THE CHAIRMAN

To
The Members,
The Indian Performing Right Society Limited

On behalf of your Directors, I am happy to present this Annual Report along with the Audited Accounts for the year ended on 31st March, 2016.

1. IPRS FUNCTIONING AS AN OWNER OF RIGHTS:

As informed in the last two Directors' Report, although the Company is not a copyright society under Section 33 of the Copyright Act, the Company continues to enforce copyrights as assigned and in the process, issue/grant licenses to the users of music for utilization of works under Section 30 of the Copyright Act as an Owner by virtue of the assignment of copyrights in the literary and musical works from its owner members. As per the Company's view and legal advice obtained, the Company can function and issue licenses as an Owner on the basis of the assignments in its favour, *and this view was upheld in December 2015 by the Bombay High Court in a suit filed against Harsha Vardhan Samor*. We have been advised that there are Supreme Court judgments on right to do business which cannot be curtailed. The Company believes that the intention of the Parliament and the Act is that the Authors have un-waivered right to royalty (not right to license unless they are Owners) and the Company has opined that all Owners will have to share royalty for all works on equal basis with authors as per Sections 18 & 19 of the Copyright Act. Hence, IPRS as an owner of rights, as per the rights mandated, will collect royalty and distribute the same equally with the Authors. However the Company is making all efforts and is in talks with the authors/ composers and owners to resolve all complaints and issues so that the Company could become a registered copyright society in future.

2. APPEALS PENDING IN SUPREME COURT:

The Company had filed Special Leave Petition (SLP) appeals in the Supreme Court in the matters of Synergy Media and CRI Events, on duality of rights.

We believe that the Copyright (Amendment) Act, 2012 and the discussions and debate will shed proper light on the intention of the legislature that a separate license for the literary and musical work is required when a sound recording or a cinematograph film of the said literary and musical work is played, performed, communicated to public or utilized in form.

3. LICENCING ACTIVITIES:

FINANCIAL PERFORMANCE - Performing Rights Income:

The total Income from Performing Rights before expenses during the year under review was Rs. 3495 Lacs compared to previous year's Income of Rs. 4226 Lacs, decrease of Rs. 731 Lacs i.e. decrease of around 17% over last year. Accordingly, the Royalties due to the Members after deduction of Legal and Administration Expenses stood at Rs. 2456 Lacs compared to Rs. 3374 Lacs for the previous year, decrease of Rs. 918 Lacs over the last year. The Revenues of the Company were affected due to the impact of the judgments of the Bombay, Kerala and Delhi High Courts and issues of licensing by owners.

During the year under review, there was decrease of Rs. 349 Lacs in General Public Performance and a fall of Rs. 76 Lacs in Broadcasting Income (FM Radio/Internet and TV) compared to the previous year which was due to litigations and many operators/users having taken the shelter of the judgments of the Delhi, Bombay and Kerala High Courts. The Company has however taken legal steps to protect the rights, The Company believes that the amendments to the Copyright Act and legal appeals will ensure that FM Radio Operators start obtaining license and pay royalties for broadcasting songs.

The Overall Overseas Income was Rs. 113 Lacs during the year under review i.e. a fall of Rs. 305 Lacs over the previous year. With the changes in the Copyright Act and Copyright Rules, the Company will however, continue with its efforts to increase its Income from Overseas territories for its members due to the increase in the exploitation of Indian Musical Works in the overseas markets by tapping new countries where Indian Music has made inroads.

The Company continues to employ its idle funds of undistributed royalty prudently and effectively. The funds lie unused for the "period" between the receipt of royalties from Users and Foreign Societies and its distribution to the Members after setting off the interest/financial income from its expenses. The "period" is the time required by the Company to process all details for calculating Royalties payable to members.

4. COPYRIGHT AND LEGAL MATTERS:

I. LICENSING CASES:

The Company continues its battle against errant Users of Music by taking legal actions against them. The Company has succeeded in all the actions that it took. Through these actions, the Company is not only consolidating its position vis-à-vis the Users but also setting legal precedence in the country on Copyright issues.

We would like to recognize the immense and sincere efforts constantly put in by our Lawyers Mr. Pravin Anand & Ms Tanvi Misra from M/s Anand and Anand, Mr. Shekhar Mennon from Medialexicon, Mr. Suresh Poojary & Mr. Rashid Zaffar from M/s. Legal House, Mr. Pragyan Sharma, Mr. Sandeep Marne, Mr. Himanshu Bagai, Mr. Gaurav Chopra and Mr. Phiroze Edulji, etc. resulting in these victories. For your information, the Company has planned to take legal action against some more users during the ensuing year with the aim of entrenching the Company as a Protector of Copyrights of the Owner in India.

During the year we have licensed IPL Cricket Match & ICC T 20 World Cup 2016, Ja Football Matches, Airlines-Jet Airways & Tata Sia Airlines, Courtyard Marriot, Citi Bank Ltd., Trident Hotel, Carnival Films & Yoko Club etc. at Mumbai, Adlabs Ent.-Novotel-Imagica-Khalapur, Le Meridien-Mahabaleshwar, Redco Hotel-Khalumbre, Ecomotel Hotel-Lavasa, Navtratri Events, Khadim India & Ambuja Realty-City Centre, etc. at Kolkatta, Radisson Blue - Ranchi, Vivanta By Taj - Assam, Shangari-La-Hotel, Sugam Vanijya Holding Pvt. Ltd., My Fortune etc. at Bangalore, Turya-Chennai, Gold Finch Hotel-Mangalore, Oak Wood Residency & Sheraton Hyderabad Hotel etc. at Hyderabad, Hotel Leela Palace, Auto Expo Event, TCNS Clothing & Hotel Vivanta By Taj etc. at Delhi, Hotel J W Marriot-Mussorie, Hotel Vivanta By Taj-Faridabad, Ranjees Hotel-Lucknow, Hotel Lalit-Chandigarh and Hotel Holiday Inn Jaipur and have started paying IPRS the requisite Royalty (Licence) Fees.

We have also licenced in Commercial / Advertisement segment, like Google India, Titan Company, Voltas Limited, Mondelez India Food (Cadbury), Pepsico India, Honda Motorcycle, Scooter India, Go Daddy, Carlsberg India, Bajaj Auto, Marico Limited, Hindustan Unilever Limited, Visa Consolidated Support Services, etc.

II. CASES AGAINST THE COMPANY WITH REGARD TO OWNERSHIP:

A. SUIT IN BARASAT COURT BY SAREGAMA INDIA LIMITED – AGM 2004:

Saregama India Ltd. has filed a Suit in the Barasat Court and an ex-parte injunction has been granted against the Company on 25th November, 2004, with regard to the decisions of the AGM, including the status quo to be maintained on the Directors of the governing council/board, which was held on 29th September, 2004. The issues raised by Saregama India Ltd. are with respect to ownership in the works and that the owners should be members of the Company. Besides, they have raised issues relating to governance of the Company.

The Company has contested the injunction and has pleaded for a vacation of the same; Appeals in this case are in the fast track court.

The Company is taking necessary steps to defend and protect its interests and that of its members.

B. PROCEEDINGS BY THE ENFORCEMENT DIRECTORATE

Based on a Frivolous complaint filed by an former Author Member of the Company whose membership was terminated in 2009 a F.I.R. dated 2nd June 2014 registered by Sadar Police Station, Agra, a Complaint was been filed under Section 5(5) of Prevention of Money Laundering Act, 2002 before the Adjudicating Authority under the said Act, on 18th November, 2015, against the Company, by the Deputy Director, Directorate of Enforcement, Mumbai Region, Mumbai, following an Order dated 20th October 2015, issued by the complainant, provisionally attaching (PAO) Investments in Mutual Funds valued as on 30th June 2015, at 70,17,00,483. The PAO has been confirmed by the Adjudicating Authority, on 23rd March 2016. The Order of the Adjudicating Authority has been appealed against by the Company before the honourable Appellate Tribunal, New Delhi.

The Company is of the firm belief that the royalties / license fees collected by licensing its rights per section 30 of Copyright Act is a legitimate business and such licensing has been upheld by the various High Courts and the Bombay High Court in December 2015 upheld the right of IPRS to license as an Owner of Copyright as under section 30, a recent activities. The Investments made by the Company in various mutual funds were legitimately collected royalty/license fees, hence company is of the view that such investments cannot be charged under provisions of PMLA.

Also the fact which the department overlooked, for obvious reasons on record the fact that the Hon'ble Allahabad High Court in its order passed on 04.08.2015 had stayed the entire proceedings inter alia in respect of the offences for which the charge-sheet had been filed by the Agra Police in respect of the FIR, on the basis of which the office of Enforcement Department had registered the ECIR in the matter.

Hence the Company is confident that it will be able to get the proceedings by the Directorate of Enforcement under PMLA quashed.

5. INTERNATIONAL RELATIONS:

The Company is constantly engaged in improving its International Relations with various Sister Societies.

6. ADMINISTRATION:**A. ROYALTY DISTRIBUTION**

The Company distributed gross royalties to the tune of Rs. 732 Lacs (previous year Rs. 4680 Lacs) to its members including Rs. 132 Lacs (previous year Rs. 163 Lacs) to its International Societies during the financial year under review and the members were paid royalties according to the Distribution Scheme. It may worthy to note the given that the investments of the company were provisionally attached and the fact that company had very little monies available for distribution of royalties, the company considering the requests and conditions distributed royalties only to the author / composers members and legal heirs and not to the Owner Publishers.

B. DATA DOCUMENTATION

I feel happy to inform that in response to my request to all the members to file their Work Notification Forms/Work details with the Company, some members have filed their work details. However, there are still some Members who have not filed their respective Work Notification Form with the Company. This causes a lot of difficulties identifying their Works and distributing Royalties thereon, especially for royalty on the basis of number of works authored or owned and also number of votes of a member is on the basis of number of works owned or authored. Further, there are Members who initially filed their Work details but thereafter have not been regular to file their subsequent Work details. Hence, I take this opportunity to once again request all Members to furnish their full Work details on a regular basis and not to wait for reminder from the Company. This would ensure more Royalties for you.

C. LICENCING:

As the Company is striving hard in the area of Licensing Live Performances, Members are requested to co-operate with the Company – to the extent that whenever they take part in any Live Performance, they should ensure that an IPRS License has been obtained by the organizer of that event. Only then will organizers take a serious note of the Company's' objectives and start paying up royalties to the Company. If all of us follow this principle of not attending any Performance, Show, Concert which does not have the IPRS green signal, no show can be successful and also ask to submit list of works performed. At this point, I am reminded of the phrase "United We Stand" which is most befitting and meaningful in the context of our joint endeavors.

7. 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.

8. REVISION OF FINANCIAL STATEMENT:

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

9. PARTICULAR OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES:

During the financial year 2015-16, the Company did not enter into any transactions/contracts/arrangements with related party(ies) as defined under the provisions of Section 2(76) of the Companies Act, 2013.

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

During the financial year 2015-16, no loans, guarantees, investments and securities were provided pursuant to the provisions of Section 186 of the Companies Act, 2013.

11. MATTERS RELATED TO DIRECTORS AND KEY MANAGERIAL PERSONNEL:

In past few months, your Company lost two Senior Directors namely Mr. Ravindra Jain (DIN: 01711380) whose sad demise occurred on 9th October, 2015 and Mr Om Prakash Sonik (DIN:00680421) who left for his heavenly abode on 7th July 2016.

The Board of Directors convey their deep condolences to the bereaved families of Late Mr. Ravindra Jain and Late Mr. Om Prakash Sonik. The Board of Directors also place on record their appreciation for the invaluable services rendered by Late Mr. Ravindra Jain and Late Mr. Om Prakash Sonik to the Company during their respective tenure as Director of the Company.

No business is being proposed for appointment/re-appointment and/or change in Directorship of the Company pursuant to status quo order with extensions thereof to maintain the same Governing Council as pronounced in respect of T.S. No: 114/2004 Saregama India Ltd. Vs. IPRS & Others, filed before the Hon'ble Court of Civil Judge, Barasat, 24, North Paraganas, West Bengal.

12. DISCLOSURES RELATED TO GOVERNING COUNCIL MEETINGS, COMMITTEES AND POLICIES:

a. GOVERNING COUNCIL MEETINGS:

The members of the Governing Council met four times during the financial year ended 31st March 2016 in accordance with the provisions of the Companies Act, 2013 and rules made thereunder on the following dates:

| Serial No. | Date of General Council Meeting |
|------------|---------------------------------|
| 1. | 16 th April, 2015 |
| 2. | 14 th August, 2015 |
| 3. | 9 th November, 2015 |
| 4. | 1 st February, 2016 |

b. DIRECTOR'S RESPONSIBILITY STATEMENT:

In terms of Section 134(5) of the Companies Act, 2013, in relation to the audited financial statements of the Company for the year ended 31st March, 2016, the Board of Directors hereby confirms that:

- a. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 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, 2016 and of the Income and Expenditure for the year ended on that date on behalf of the members of the Company for that period;
- c. Proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. The annual accounts of the Company have been prepared on a going concern basis;
- e. Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively;

c. RISK MANAGEMENT POLICY:

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

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.

13. AUDITORS AND REPORTS:

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

a. OBSERVATIONS OF STATUTORY AUDITORS ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2016:

The observations made by the Statutory Auditors in their report for the financial year ended 31st March, 2016 read with the explanatory notes therein are self-explanatory and therefore, do not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

b. RATIFICATION OF APPOINTMENT OF AUDITORS:

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s R.K. Khanna & Associates Chartered Accountants (Firm Registration Number : 105082W) the Statutory Auditors of the Company have been appointed for a term of 5 years. However, their appointment as Statutory Auditors of the Company shall be required to be ratified by the Members at the ensuing Annual General Meeting. The Company has received a confirmation from the said Auditors that they are not disqualified to act as the Auditors and are eligible to hold the office as Auditors of the Company.

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

14. OTHER DISCLOSURES

Other disclosures as per provisions of Section 134 of the Act 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, Extract of the Annual Return for the financial year ended 31st March 2016 made under the provisions of Section 92(3) of the Act is attached as **Annexure I** which forms part of this Report.

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

A] Conservation of Energy, Technology Absorption:

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

B] Foreign Exchange Earning and Outgo:

| | 1 st April, 2015 to 31 st March, 2016 [Current F.Y.] | 1 st April, 2014 to 31 st March, 2015 [Previous F.Y.] |
|-----------------------------------------|----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|
| | Rs. in Lacs | Rs. in Lacs |
| Actual Foreign Exchange earnings | 102.67 | 415.03 |
| Actual Foreign Exchange outgo | 162.27 | 196.78 |

c. GENERAL DISCLOSURES:

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions pertaining to these matters during F.Y. 2015-16:

- a. Details relating to acceptance of deposits covered under Chapter V of the Companies Act, 2013.
- b. Instances with respect to voting rights not exercised directly by employees of the Company.

Your Directors further state that:

- c. Except as disclosed elsewhere in this report, no material changes and commitments which could affect the Company's financial position, have occurred between the end of the financial year of the Company and date of this Annual Report.
- d. There was no change in the nature of business of company during F.Y. 2015-16.

15. ACKNOWLEDGEMENTS:

On behalf of the Governing Council, I take this opportunity to convey our appreciation to all the Members, Music Users/Licensees, suppliers, bankers, lawyers, regulatory and government authorities and all other business associates for their continued support and confidence in the management of the Company. The Council places on record its appreciation of the untiring efforts and contribution made by employees at all levels through their hard work, dedication, solidarity, Co-operation and acknowledge that their support has enabled the Company to achieve new heights of success.

**For and on behalf of the Governing Council of
THE INDIAN PERFORMING RIGHT SOCIETY LIMITED**

Sd/-
**HASAN KAMAAL
CHAIRMAN**

DIN: 00794794

Date: 11th August, 2016

Place: Mumbai

Registered Office:

208, Golden Chambers,
New Andheri Link Road,
Andheri (W),
Mumbai 400 053

CIN: U92140MH1969GAP014359

Tel No. [022-26733748 /49/ 50 /6616] Fax No. [022-26736658]

E-mail : accounts@iprsltd.com

THE INDIAN PERFORMING RIGHT SOCIETY LIMITED

ANNEXURE I

EXTRACT OF ANNUAL RETURN- FORM MGT-9
As on financial year ended on 31st March 2016
[Pursuant to section 92(3) of the Companies Act, 2013 and
Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

| | |
|----------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|
| CIN | : U92140MH1969GAP014359 |
| Registration Date | : 23/08/1969 |
| Name of the Company | : THE INDIAN PERFORMING RIGHT SOCIETY LIMITED |
| Category / Sub-Category of the Company | : Company limited by guarantee |
| Address of the Registered office and contact details | : 208, Golden Chambers, New Andheri Link Road, Andheri (West), Mumbai- 400053 Tel: 2673 3748/49/50/6616 Fax: 26736658. Email: accounts@iprsltd.com |
| Whether listed company | : No |
| Name, Address and Contact details of Registrar and Transfer Agent, if any: | : - |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

| Name and Description of main products/ services | NIC Code of the Product/ service | % to total turnover of the company |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|------------------------------------|
| The Company is engaged in the business of exercise and enforcing copyrights assigned to the Company and making music accessible to public and also licensing the musical and literary works. | 92140 | 100% |

III. *PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

| Name and address of the Company | CIN / GLN/LLPIN | Holding / subsidiary / associate | % of shares held | Applicable section |
|---------------------------------|-----------------|----------------------------------|------------------|--------------------|
| - | - | - | - | - |

* Not applicable.

IV. *SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

i. Category-wise Share Holding as on 31st March, 2016:

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|--------------------------|-------------------------------------------------|----------|-------|-------------------|-------------------------------------------|----------|-------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | - | - | - | - | - | - | - | - | - |
| a) Individual/HUF | - | - | - | - | - | - | - | - | - |
| b) Central Govt | - | - | - | - | - | - | - | - | - |
| c) State Govt(s) | - | - | - | - | - | - | - | - | - |
| d) Bodies Corp. | - | - | - | - | - | - | - | - | - |
| e) Banks / FI | - | - | - | - | - | - | - | - | - |
| f) Any other | - | - | - | - | - | - | - | - | - |
| Sub-total(A)(1): | - | - | - | - | - | - | - | - | - |
| (2) Foreign | | | | | | | | | |
| a) NRIs | - | - | - | - | - | - | - | - | - |
| Individuals | - | - | - | - | - | - | - | - | - |
| b) Other | - | - | - | - | - | - | - | - | - |
| Individuals | - | - | - | - | - | - | - | - | - |

THE INDIAN PERFORMING RIGHT SOCIETY LIMITED

| | | | | | | | | | |
|----------------------------------------------------------------------------------|---|---|---|---|---|---|---|---|---|
| c) Bodies Corp. | - | - | - | - | - | - | - | - | - |
| d) Banks / FI | - | - | - | - | - | - | - | - | - |
| e) Any other | - | - | - | - | - | - | - | - | - |
| Sub-total (A)(2): | - | - | - | - | - | - | - | - | - |
| Total shareholding of Promoter (A) = (A)(1)+(A)(2) | - | - | - | - | - | - | - | - | - |
| B. Public Shareholding | | | | | | | | | |
| (1) Institutions | | | | | | | | | |
| a) Mutual Funds | - | - | - | - | - | - | - | - | - |
| b) Banks / FI | - | - | - | - | - | - | - | - | - |
| c) Central Govt. | - | - | - | - | - | - | - | - | - |
| d) State Govt.(s) | - | - | - | - | - | - | - | - | - |
| e) Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| f) Insurance Companies | - | - | - | - | - | - | - | - | - |
| g) FII's | - | - | - | - | - | - | - | - | - |
| h) Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| i) Others (specify) | - | - | - | - | - | - | - | - | - |
| Sub-total (B)(1): | - | - | - | - | - | - | - | - | - |
| (2) Non-Institutions | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | - | - | - | - | - | - | - | - | - |
| ii) Overseas | - | - | - | - | - | - | - | - | - |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto Rs. 1 lakh | - | - | - | - | - | - | - | - | - |
| ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh | - | - | - | - | - | - | - | - | - |
| Foreign Portfolio Investor (Corporate) | - | - | - | - | - | - | - | - | - |
| c) Others | - | - | - | - | - | - | - | - | - |
| c-i Clearing Member | - | - | - | - | - | - | - | - | - |
| c-ii Office Bearer | - | - | - | - | - | - | - | - | - |
| c-iii Market Maker | - | - | - | - | - | - | - | - | - |
| c-iv Foreign Nationals | | | | | | | | | |
| NRI (Repat) | - | - | - | - | - | - | - | - | - |
| NRI (Non-Repat) | - | - | - | - | - | - | - | - | - |
| Foreign Company | - | - | - | - | - | - | - | - | - |
| Directors | - | - | - | - | - | - | - | - | - |
| Trusts | - | - | - | - | - | - | - | - | - |
| Hindu Undivided Family | - | - | - | - | - | - | - | - | - |
| Sub-total(B)(2): | - | - | - | - | - | - | - | - | - |
| Total Public Shareholding (B)=(B)(1)+(B)(2) | - | - | - | - | - | - | - | - | - |
| C. Shares held by Custodian for GDRs & ADRs | - | - | - | - | - | - | - | - | - |
| Grand Total (A+B+C) | - | - | - | - | - | - | - | - | - |

THE INDIAN PERFORMING RIGHT SOCIETY LIMITED

ii. Shareholding of Promoters:

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

iii. Change In Promoters' Shareholding:

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

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

| Sr. No. | For Each of the Top 10 Shareholders Name, Date & Reason of change | Shareholding at the beginning of the year (01-04-2015) | | Cumulative Shareholding during the year | |
|---------|-------------------------------------------------------------------|--------------------------------------------------------|----------------------------------|-----------------------------------------|----------------------------------|
| | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| - | - | - | - | - | - |

v. SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

| Sl. No. | For each of the Directors and KMP | Shareholding at the beginning of the year (01.04.2015) | | Cumulative Shareholding during the year | |
|---------|-----------------------------------|--------------------------------------------------------|----------------------------------|-----------------------------------------|----------------------------------|
| | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| - | - | - | - | - | - |

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

V. INDEBTEDNESS:

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

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

THE INDIAN PERFORMING RIGHT SOCIETY LIMITED

VI. REMUNERATION & FEES OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

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

B. COMPENSATION/FEES TO OTHER DIRECTORS:

| Sl. No. | Particulars of Compensation/Fees | Name of Directors | Total Amount (Rs. In Lacs) (in Rs.) |
|---------|----------------------------------------------|---------------------------------------------------------------------------------|----------------------------------------|
| | 1. Board of Directors | | |
| | • * Directors' Compensation | SHRI HASAN KAMAAL | 15.81 |
| | | SHRI OM PRAKASH SONIK | 10.72 |
| | | SHRI OM PRAKASH KATARIA | 0.58 |
| | | SHRI PIRAISUDAN RAJU | 3.38 |
| | • Fee for attending General Council Meetings | SAREGAMA INDIA LIMITED REPRESENTED BY SHRI GHANASHYAM BHAGWAN AAYEER | 0.30 |
| | | SONY MUSIC ENTERTAINMENT (I) PVT. LTD. REPRESENTED BY SHRI SHRIDHAR SUBRAMANIAM | 0.10 |
| | | VENUS WORLDWIDE ENT. PRIVATE LIMITED REPRESENTED BY SHRI GANESH CHHAGANLAL JAIN | 0.40 |
| | | SHRI OM PRAKASH SONIK | 0.30 |
| | | SHRI HASAN KAMAAL | 0.40 |
| | | SHRI OMPRAKASH DIWANHAND KATARIA | 0.40 |
| | | SHRI PIRAISUDAN RAJU | 0.30 |
| | | SHRI SAMUEL THANGARAJ JOSEPH | 0.30 |
| | | SHRI RAVINDRA INDRAMANI JAIN | 0.20 |
| | | UNIVERSAL MUSIC INDIA LIMITED REPRESENTED BY SHRI DEVRAJ SUGATA SANYAL | 0.20 |
| | Total | | 2.90 |
| | Total Directors Fees | | 33.39 |
| | Overall ceiling as per the Act | Not Applicable since the Company is "Not for Profit organization". | |

* Includes Annual Fees and Medical assistance.

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

| Sr. No | Particulars of Remuneration | Key Managerial Personnel | | Total |
|--------|-------------------------------------------------------------------------------------|--------------------------|---|-------|
| 1 | Gross salary | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | - | - | - |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | - | - | - |
| | (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961 | - | - | - |

THE INDIAN PERFORMING RIGHT SOCIETY LIMITED

| | | | | |
|---|------------------------|---|---|---|
| 2 | Stock Option | - | - | - |
| 3 | Sweat Equity | - | - | - |
| 4 | Commission | - | - | - |
| | - as % of profit | - | - | - |
| | - others, specify | - | - | - |
| 5 | Others, please specify | - | - | - |
| | Total | - | - | - |

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

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

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

**For and on behalf of the Governing Council of
THE INDIAN PERFORMING RIGHT SOCIETY LIMITED**

**Sd/-
HASAN KAMAAL
CHAIRMAN
DIN: 00794794**

Date: 11th August, 2016
Place: Mumbai

THE INDIAN PERFORMING RIGHT SOCIETY LIMITED

Statement indicating Attendance of Directors at the Governing Council Meetings

2015 - 2016 (01.04.2015 to 31.03.2016)

| | Total No. of Meetings | Meetings Attended | Leave of absence applied/granted | Absent |
|-----------------------------------------------|-----------------------|-------------------|----------------------------------|--------|
| Mr. Hasan Kamaal | 4 | 4 | N/A | N/A |
| Mr. Samuel Joseph | 4 | 3 | 1 | N/A |
| Mr. O.P.Sonik | 4 | 3 | 1 | N/A |
| Mr. Piraisudan | 4 | 3 | 1 | N/A |
| Mr. Ravindra Jain | 2 | 2 | N/A | N/A |
| Mr. Om Prakash Kataria (Mr Abhilash) | 4 | 4 | N/A | N/A |
| M/s. Universal Music India Ltd. | 4 | 2 | 2 | N/A |
| M/s. Saregama India Ltd. | 4 | 3 | 1 | N/A |
| M/s. Tips Industries Ltd. | 4 | 4 | N/A | N/A |
| M/s. Venus Worldwide Entertainment Pvt. Ltd. | 4 | 4 | N/A | N/A |
| M/s. Sony Music Entertainment India Pvt. Ltd. | 4 | 1 | 3 | N/A |

R. K. KHANNA & ASSOCIATES
CHARTERED ACCOUNTANTS

402, Regent Chambers,
Nariman Point,
Mumbai - 400 021.

Tel. : 22833590, 22834262, 22835314

Fax : 22853302

E-mail : admin@rkkhannaassociates.com

Website : www.rkkhannaassociates.com

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
THE INDIAN PERFORMING RIGHT SOCIETY LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of THE INDIAN PERFORMING RIGHT SOCIETY LIMITED, ('the company') comprising of the Balance Sheet as at 31st March, 2016, the Statement of Income and Expenditure and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this Report.

Management's Responsibility 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 and presentation of these financial statements that give a true and fair view of the financial position, financial performance and Cash Flow of the Company, in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statement are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Board of Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

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 31st March, 2016 and its Income and Expenditure on behalf of members of the company and its cash flows for the year ended on that date.

Emphasis of matter

We draw attention to Note No. 1 regarding continuance of issuing Licenses & collecting of License Fees / Royalty under section 30 of the Copyright Act, 1957, by virtue of the assignment deed executed by members of the Company and Note No. 20, regarding Legal Matters to the financial statements. Our opinion is not qualified in respect of these matters.

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 Act, we give in the *Annexure A*, a statement on the matters specified in the paragraph 3 and 4 of the Order.
2. 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 purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Income & Expenditure Statement and the Cash Flow Statement dealt by this report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the Directors as on 31st March 2016 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March 2016 from being appointed as a Director in terms of Section 164(2) of the Act;

THE INDIAN PERFORMING RIGHT SOCIETY LIMITED

- (f) With respect to the adequacy of the internal controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in *Annexure B*; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations gives to us :
 - (i) Company has disclosed impact of pending litigations on its financial position in its financial statements - Refer Note No.20 to the financial statements;
 - (ii) The Company did not have any long-term contracts including derivative contracts;
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For R. K. KHANNA & ASSOCIATES

Chartered Accountants

(Firm Registration No: 105082W)

Sd/-

MOHD. OBAID ANSARI

Partner

(Membership No. 116304)

Place : Mumbai;

Date: 11th August, 2016

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT**Statement on matters specified in the paragraph 3 & 4 of the
Companies (Auditor's Report) Order, 2016**

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) These Fixed Assets have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such verification.
(c) Title deeds of immovable properties are held in the name of the company.
2. The Company's nature of operations does not require it to hold inventories.
3. The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, paragraph 3(iii) of the Order is not applicable.
4. The Company has not granted any loans, investments, guarantees, and security. Accordingly, paragraph 3(iv) of the Order is not applicable.
5. The Company has not accepted any deposits from the public. Accordingly, paragraph 3(v) of the Order is not applicable.
6. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable.
7. (a) According to information and explanations given to us and on the basis of our examination of the records of the Company, undisputed statutory dues have been regularly deposited during the year by the Company.
(b) According to information and explanations given to us, the following dues of Service Tax have not been deposited by the Company on account of disputes:

| Nature of Dues | Amount (in Rs.) | Period to which amount relates | Forum where dispute is pending |
|-----------------------|--------------------|-----------------------------------|--------------------------------------------------|
| Service Tax & Penalty | 3,29,52,346/- | 16/06/2005 to 31/03/2010 | CESTAT, Mumbai |
| Service Tax | 4,03,66,979/- | 01/04/2010 to 31/3/2015 | Adjudicating Authority Service Tax, Mumbai |

The demand and penalties pertaining to period 16th June 2005 to 31st March 2010 have been disputed by the Company and the appeal filed before CESTAT, Mumbai is still pending. Adjudication of Show Cause Notices to raise Service Tax demands for the period 1st April 2010 to 31st March 2015 are still pending.

8. The Company has not taken any loans or borrowing from any Financial Institution, Bank, Government or Debenture holders. Accordingly, paragraph 3(viii) of the Order is not applicable.
9. The Company, being a public company limited by guarantee, has not raised monies by way

THE INDIAN PERFORMING RIGHT SOCIETY LIMITED

- of initial public offer or further public offer (including debt instruments), Further, Company has not raised any term loans. Accordingly, paragraph 3(ix) of the Order is not applicable.
10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
 11. No managerial remuneration falling under section 197 read with Schedule V to The Companies Act, 2013 has been paid or provided by the Company.
 12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
 13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are complied with sections 177 and 188 of the Act where ever applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
 14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
 15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
 16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For R. K. KHANNA & ASSOCIATES

Chartered Accountants

(Firm Registration No: 105082W)

Sd/-

MOHD. OBAID ANSARI

Partner

(Membership No. 116304)

Place : Mumbai

Date: 11th August, 2016

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

We have audited the internal financial controls over financial reporting of The Indian Performing Right Society Limited ('the Company'), as of 31st March 2016 in conjunction with the audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company' and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For R. K. KHANNA & ASSOCIATES

Chartered Accountants
(Firm Registration No: 105082W)

Sd/-

MOHD. OBAID ANSARI

Partner
(Membership No. 116304)

Place : Mumbai;

Date : 11th August, 2016

THE INDIAN PERFORMING RIGHT SOCIETY LIMITED

BALANCE SHEET AS AT 31ST MARCH 2016

| | Note No. | 31 st March 2016 | | 31 st March 2015 | |
|------------------------------------------|----------|-----------------------------|--------------|-----------------------------|--------------|
| | | Rupees | Rupees | Rupees | Rupees |
| LIABILITIES | | | | | |
| Non-Current Liabilities | | | | | |
| Long Term Liabilities | 3 | 22,29,080 | | 22,29,080 | |
| Long Term Provisions | 4 | 3,83,09,109 | | 4,21,71,527 | |
| | | | 4,05,38,188 | | 4,44,00,606 |
| Current Liabilities | | | | | |
| Royalties to Members | 5 | 83,83,69,587 | | 70,04,54,573 | |
| Other Current Liabilities | 6 | 2,30,81,183 | | 2,93,61,948 | |
| Short Term Provisions | 7 | 97,95,440 | | 51,70,380 | |
| | | | 87,12,46,210 | | 73,49,86,902 |
| | | | 91,17,84,399 | | 77,93,87,508 |
| ASSETS | | | | | |
| Non-Current Assets | | | | | |
| Fixed Assets | | | | | |
| Tangible Assets | 8 | 3,51,47,600 | | 3,41,64,916 | |
| Intangible Assets | 9 | 63,56,640 | | 58,27,994 | |
| Less : Funded out of Royalties Collected | | (4,15,04,240) | | (3,99,92,910) | |
| Non-Current Investments | 10 | 70,17,00,483 | | 65,38,94,722 | |
| Long Term Loans and Advances | 11 | 9,42,732 | | 15,39,382 | |
| | | | 70,26,43,215 | | 65,54,34,104 |
| Current Assets | | | | | |
| Cash and Cash-Equivalents | 12 | 12,03,77,573 | | 4,95,10,329 | |
| Short Term Loans and Advances | 13 | 13,83,530 | | 18,41,965 | |
| Other Current Assets | 14 | 8,73,80,081 | | 7,26,01,111 | |
| | | | 20,91,41,184 | | 12,39,53,404 |
| | | | 91,17,84,399 | | 77,93,87,508 |

Notes 1 to 23 form an integral part of these Financial Statements

Per our report of even date attached to the Financial Statement

For **R.K.KHANNA & ASSOCIATES**
Chartered Accountants
(Firm Registraton No. 105082W)

Sd/-
MOHD. OBAID ANSARI
Partner

(Membership No. 116304)

Place : Mumbai ;
Date : 11th August, 2016

For and on behalf of the Governing Council

Sd/-
HASAN KAMAAL
Director

Sd/-
ABHILASH
Director

Sd/-
G. B. AAYEER
Director

Sd/-
GANESH JAIN
Director

Sd/-
SHRIDHAR SUBRAMANIAM
Director

Sd/-
DEVRAJ SANYAL
Director

THE INDIAN PERFORMING RIGHT SOCIETY LIMITED

**INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2016**

| | Note No. | 2015-16 | | 2014-15 | |
|-----------------------------------------|----------|-------------|---------------------|-------------|---------------------|
| | | Rupees | Rupees | Rupees | Rupees |
| LICENSE FEES | 15 | | 34,94,99,288 | | 42,25,80,218 |
| EXPENSES | | | | | |
| Employee Benefits Expense | 16 | 5,88,60,312 | | 5,54,74,922 | |
| Other Expenses | 17 | 4,50,26,804 | | 2,96,66,703 | |
| Total Expenses | | | 10,38,87,116 | | 8,51,41,625 |
| Net Royalties Payable to Members | | | 24,56,12,171 | | 33,74,38,593 |
| BALANCE | | | NIL | | NIL |

Notes 1 to 23 form an integral part of these Financial Statements

Per our report of even date attached to the Financial Statement

For **R.K.KHANNA & ASSOCIATES**
Chartered Accountants
(Firm Registraton No. 105082W)

For and on behalf of the Governing Council

Sd/-
MOHD. OBAID ANSARI
Partner

Sd/-
HASAN KAMAAL
Director

Sd/-
ABHILASH
Director

Sd/-
G. B. AAYEER
Director

Sd/-
GANESH JAIN
Director

(Membership No. 116304)

Sd/-

Sd/-

Place : Mumbai ;

SHRIDHAR SUBRAMANIAM

DEVRAJ SANYAL

Date : 11th August, 2016

Director

Director

THE INDIAN PERFORMING RIGHT SOCIETY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

| | 2015-16 | 2014-15 |
|----------------------------------------------------------------------|----------------------|-----------------------|
| | Amount (Rs.) | Amount (Rs.) |
| (A) CASH FLOW FROM OPERATING ACTIVITIES | | |
| License Fees Received | 34,94,99,288 | 42,25,80,218 |
| Royalties Paid | (6,67,43,396) | (46,30,05,682) |
| Royalties used for Financing of Fixed Assets | (15,75,280) | (16,33,744) |
| Medical Assistance given to Members | (14,90,172) | (6,58,070) |
| Exceptional Legal Expenses | (3,76,06,277) | (3,74,90,937) |
| Cue Sheet making charges | (77,350) | (1,60,550) |
| Security Deposit Recovered | 5,96,650 | (14,000) |
| Short Term Loan & Advances Realised | 4,58,435 | (3,98,222) |
| Payment to Employees and Administration Expenses | (14,16,74,647) | (12,89,16,592) |
| Net Cash from Operating Activities (A) | 10,13,87,251 | (20,96,97,579) |
| (B) CASH FLOW FROM INVESTING ACTIVITY | | |
| Sale/(Purchase) of Investment | (4,78,05,761) | 17,51,82,984 |
| Dividend Received on Investments | 23,05,761 | 82,78,858 |
| Interest Received on Investments | 39,95,793 | 14,85,017 |
| Profit/(Loss) on sale of Investment | 1,09,84,200 | 3,55,82,835 |
| Net Cash used in Investing Activities (B) | (3,05,20,007) | 22,05,29,694 |
| (C) CASH FLOW FROM FINANCING ACTIVITIES | | |
| Net Cash used from Financing Activities (C) | - | - |
| Net Increase/(Decrease) in Cash & Cash Equivalent (A+B+C) | 7,08,67,244 | 1,08,32,115 |
| Opening Balance of Cash and Cash Equivalent | 4,80,06,347 | 3,71,74,232 |
| Closing Balance of Cash and Cash Equivalent | 11,88,73,591 | 4,80,06,347 |

Notes 1 to 23 form an integral part of these Financial Statements

Per our report of even date attached to the Financial Statement

For R.K.KHANNA & ASSOCIATES
Chartered Accountants
(Firm Registraton No. 105082W)

For and on behalf of the Governing Council

Sd/-
MOHD. OBAID ANSARI
Partner

Sd/-
HASAN KAMAAL
Director

Sd/-
ABHILASH
Director

Sd/-
G. B. AAYEER
Director

Sd/-
GANESH JAIN
Director

(Membership No. 116304)

Sd/-

Sd/-

Place : Mumbai ;
Date : 11th August, 2016

SHRIDHAR SUBRAMANIAM
Director

DEVRAJ SANYAL
Director

THE INDIAN PERFORMING RIGHT SOCIETY LIMITED
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS
FORMING AN INTEGRAL PART OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2016

NOTE NO. 1

COMPANY OVERVIEW

The Indian Performing Right Society (IPRS) was founded on 23rd August 1969 as a Company limited by guarantee, having no Share Capital and is a non-profit body. The liability of each member is limited to ₹ 100/-.

The provisions of the Copyright Act, 1957 have been amended by the Copyright (Amendment) Act, 2012 with effect from 21st June, 2012. In terms of the amended Act, IPRS was required to get itself registered under Chapter VII of the Act, by 21st June, 2013. IPRS had applied for registration, but the same was not considered. IPRS on 2nd June, 2014 had informed the Government of India that its application for registration has lapsed and should be treated as withdrawn, in case it is not treated as lapsed. IPRS exercises and enforces on behalf of its members all their rights and remedies and issues Licences and collects Licence fees/Royalty under Section 30 of Copyright Act, 1957 by virtue of Assignment Deeds executed by its Members.

NOTE NO. 2

SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation of Financial Statements :

The Financial Statements are prepared under the historical cost convention on an accrual basis and in accordance with the normally accepted Accounting Principles and are in line with the relevant laws as well as the guidelines and Accounting Standards prescribed by the Institute of Chartered Accountants of India.

2.2 Revenue Recognition :

License Fees represents royalties received on behalf of members including members of Affiliated Societies, who hold copyrights on musical works. The revenue from License Fees is recognised on the basis of Fees received by the Company under the grant of license for usage of music, irrespective of the period covered by the License.

Profit on sale of investments is recorded on transfer of title from the Company and is determined as the difference between sale price and carrying value of investment. Interest is recognised using the time-proportion method, based on the rate implicit in the transaction. Dividend income is recognised when Company's right to receive dividend is established.

2.3 Post-Employment Benefits :

The Company provides post employment benefits to its employees under defined contribution plan whereby it pays specified contributions to a separate entity. Accordingly, the Company makes monthly contributions towards provident fund and yearly contributions towards gratuity scheme and superannuation scheme. The Company's contributions are recognised as expenses in the Income and Expenditure Statement during the period in which the employee renders the related service.

2.4 Fixed Assets :

Fixed Assets are stated at cost less depreciation, subject to notes on Depreciation, Grants Received and Funding of Fixed Assets noted below.

2.5 Depreciation :

Depreciation upto year ended on 31st March 2005 has been provided for on written down value at the rates specified in Schedule XIV of the Companies Act, 1956. No depreciation is being provided for the year ended on 31st March 2006 and onwards.

2.6 Grant Received :

The grant received for acquisition of fixed assets is shown as a deduction from the gross value of the assets concerned in arriving at their book value.

2.7 Funding of Fixed Assets :

Fixed Assets, having been funded out of Royalties collected on account of Members, are deducted from the same and are disclosed accordingly. Thus, "Royalties to Members" represent the amount due after the funding of Fixed Assets.

2.8 Foreign Currency Translation :

Transactions in foreign currencies including those relating to acquisition of fixed assets are translated at exchange rates ruling at transaction dates.

2.9 Investments :

Non Current Investments are valued at cost and Current Investments are valued at the lower of cost or fair value.

2.10 Provisions :

Provisions are recognised when the Company has a present legal obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation.

2.11 Income Tax :

Current Tax is determined as the amount of tax payable in respect of Finance Income for the year.

2.12 Deferred Tax :

Since the tax liability is restricted to the Finance Income, the question of Deferred Tax does not arise.

2.13 Cash Flow Statement

Cash flows are reported using the Direct Method whereby major classes of gross cash receipts and gross cash payments are disclosed. The cash flows from Operating, Investing and Financing activities of the Company are segregated.

THE INDIAN PERFORMING RIGHT SOCIETY LIMITED

| | 31 st March 2016 | | 31 st March 2015 | |
|--------------------------------------------|-----------------------------|--------------------|-----------------------------|--------------------|
| | Rupees | Rupees | Rupees | Rupees |
| NOTE NO. 3 | | | | |
| <u>LONG TERM LIABILITIES</u> | | | | |
| Advances Received | | 22,29,080 | | 22,29,080 |
| NOTE NO. 4 | | | | |
| <u>LONG TERM PROVISIONS</u> | | | | |
| Provision for Employee Benefits : | | | | |
| Interest under Provident Fund Scheme | | 39,24,000 | | 39,24,000 |
| Staff Retirement Benefits | | 5,25,602 | | 5,25,602 |
| Provision for Exceptional Legal Expenses | | | | |
| Opening Balance | 3,77,21,925 | | 4,54,57,106 | |
| Add : Additions during the year | 3,37,43,859 | | 2,97,55,756 | |
| Less : Exceptional Legal Expenses incurred | (3,76,06,277) | 3,38,59,507 | (3,74,90,937) | 3,77,21,925 |
| | | 3,83,09,109 | | 4,21,71,527 |

Due to various adverse Orders passed against the Company during the last few years by different Courts of Law and due to the amendments to The Copyright Act and the Company not being a Copyright Society, a serious negative impact was felt on the collections of Licence Fees and the expenses of the Company increased heavily - mainly the Legal Expenses. To meet these Legal Expenses, the Company has, in terms of Article 35 of the Articles of Association of the Company, additionally kept aside during the year, a sum of ₹ 3,37,43,859/- (Last Year, ₹ 2,97,55,756/-), being 10% (Last Year, 7.5%) of the net Royalties payable to Members for the earlier year.

The Company has incurred during the year legal expense of ₹ 3,76,06,277/- (Last year ₹ 3,74,90,937/-), which the Company considers as exceptional in nature and has utilised the said amount from the amount so kept aside.

| | 31 st March 2016 | | 31 st March 2015 | |
|-----------------------------------------|-----------------------------|--------------------|-----------------------------|--------------------|
| | Rupees | Rupees | Rupees | Rupees |
| NOTE NO. 5 | | | | |
| <u>ROYALTIES TO MEMBERS</u> | | | | |
| Royalties to Members | | 83,83,69,587 | | 70,04,54,573 |
| NOTE NO. 6 | | | | |
| <u>OTHER CURRENT LIABILITIES</u> | | | | |
| Sundry Creditors | | 1,51,41,838 | | 92,81,588 |
| Value Added Tax Payable | | 15,73,000 | | 16,07,000 |
| Tax Deducted at Source Payable | | 63,66,345 | | 1,84,73,360 |
| | | 2,30,81,183 | | 2,93,61,948 |

| | 31 st March 2016 | | 31 st March 2015 | |
|-------------------------------------|-----------------------------|-----------|-----------------------------|-----------|
| | Rupees | Rupees | Rupees | Rupees |
| NOTE NO. 7 | | | | |
| <u>SHORT TERM PROVISIONS</u> | | | | |
| Provision for Income Tax | | 97,95,440 | | 51,70,380 |
| | | 97,95,440 | | 51,70,380 |
| | | | | |

THE INDIAN PERFORMING RIGHT SOCIETY LIMITED

**NOTE NO. 8
TANGIBLE ASSETS**

| Description of Assets | Rate of Depreciation | COST | | | | | | DEPRECIATION / AMORTIZATION | | | | NET VALUE | |
|--------------------------|----------------------|--------------------|---------------------------|----------------------|--------------------|--------------------|-----------------|-----------------------------|--------------------|--------------------|--------------------|-----------|--|
| | | As at 01-4-2015 | Additions during the year | Sale During the year | As at 31-3-2016 | As at 01-4-2015 | During the year | Adjustments | As at 31-3-2016 | As at 31-3-2016 | As at 31-3-2015 | | |
| | | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees | |
| Office Premises | 5.00 | 2,85,92,714 | - | - | 2,85,92,714 | 73,36,181 | - | - | 73,36,181 | 2,12,56,533 | 2,12,56,533 | | |
| Electrical Fittings | 13.91 | 9,43,354 | - | - | 9,43,354 | 5,00,599 | - | - | 5,00,599 | 4,42,755 | 4,42,755 | | |
| Security & Access System | 13.91 | 1,71,800 | - | - | 1,71,800 | 1,02,043 | - | - | 1,02,043 | 69,757 | 69,757 | | |
| Furniture & Fixtures | 18.10 | 40,41,269 | 1,63,447 | - | 42,04,716 | 18,97,156 | - | - | 18,97,156 | 23,07,559 | 21,44,112 | | |
| Air Conditioners | 13.91 | 10,11,043 | - | 57,480 | 9,53,563 | 1,32,502 | - | 28,529 | 1,03,973 | 8,49,590 | 8,78,541 | | |
| Typewriters | 13.91 | 24,156 | - | - | 24,156 | 21,212 | - | - | 21,212 | 2,944 | 2,944 | | |
| Computers | 40.00 | 71,34,274 | 5,89,536 | 14,000 | 77,09,810 | 23,45,966 | - | - | 23,45,966 | 53,63,844 | 47,88,308 | | |
| Office Equipments | 13.91 | 19,51,641 | 3,01,651 | 29,000 | 22,24,292 | 5,43,801 | - | - | 5,43,801 | 16,80,491 | 14,07,840 | | |
| Facsimile Machine | 13.91 | 43,748 | - | - | 43,748 | 23,189 | - | - | 23,189 | 20,559 | 20,559 | | |
| EPABX | 13.91 | 2,34,300 | - | - | 2,34,300 | - | - | - | - | 2,34,300 | 2,34,300 | | |
| Xerox Machine | 13.91 | 82,742 | - | - | 82,742 | 49,146 | - | - | 49,146 | 33,596 | 33,596 | | |
| Vehicles | 25.89 | 28,85,671 | - | - | 28,85,671 | - | - | - | - | 28,85,671 | 28,85,671 | | |
| TOTAL | | 4,71,16,712 | 10,54,634 | 1,00,480 | 4,80,70,867 | 1,29,51,796 | - | 28,529 | 1,29,23,267 | 3,51,47,600 | 3,41,64,916 | | |
| Previous Year's Figures | | 4,58,57,375 | 16,59,444 | 4,00,107 | 4,71,16,712 | 1,30,83,012 | - | 1,31,216 | 1,29,51,796 | 3,41,64,916 | 3,27,74,363 | | |

**NO. 9
INTANGIBLE ASSETS**

| Description of Assets | Rate of Depreciation | COST | | | | | | DEPRECIATION / AMORTIZATION | | | | NET VALUE | |
|-------------------------|----------------------|------------------|---------------------------|----------------------|------------------|------------------|-----------------|-----------------------------|------------------|------------------|------------------|-----------|--|
| | | As at 01-04-2015 | Additions during the year | Sale During the year | As at 31-3-2016 | As at 01-04-2015 | During the year | Adjustments | As at 31-3-2016 | As at 31-3-2016 | As at 31-3-2015 | | |
| | | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees | |
| Software | 40.00 | 88,35,846 | 5,28,646 | - | 93,64,492 | 30,07,852 | - | - | 30,07,852 | 63,56,640 | 58,27,994 | | |
| | | 88,35,846 | 5,28,646 | - | 93,64,492 | 30,07,852 | - | - | 30,07,852 | 63,56,640 | 58,27,994 | | |
| Previous Year's Figures | | 88,35,846 | - | - | 88,35,846 | 30,07,852 | - | - | 30,07,852 | 58,27,994 | 58,27,994 | | |

THE INDIAN PERFORMING RIGHT SOCIETY LIMITED

| | 31 st March 2016 | | 31 st March 2015 | |
|-------------------------------------------------|-----------------------------|---------------------|-----------------------------|--------------------|
| | Rupees | Rupees | Rupees | Rupees |
| NOTE NO. 12 | | | | |
| <u>CASH AND CASH EQUIVALENTS</u> | | | | |
| Cash in Hand | | 6,99,392 | | 2,27,974 |
| Cash at Banks | | 11,81,74,199 | | 4,77,78,373 |
| Bank Deposits with more than 12 months maturity | | 15,03,982 | | 15,03,982 |
| | | 12,03,77,573 | | 4,95,10,329 |
| NOTE NO. 13 | | | | |
| <u>SHORT TERM LOANS AND ADVANCES</u> | | | | |
| Value Added Tax Recoverable | | - | | 74,437 |
| Loans and Advances | | 9,34,248 | | 12,89,761 |
| Other Dues | | 4,49,282 | | 4,77,767 |
| | | 13,83,530 | | 18,41,965 |
| NOTE NO. 14 | | | | |
| <u>OTHER CURRENT ASSETS</u> | | | | |
| Accrued Interest | | 5,62,172 | | 4,17,477 |
| Tax Deducted at Source | | 8,68,17,909 | | 7,21,83,634 |
| | | 8,73,80,081 | | 7,26,01,111 |

THE INDIAN PERFORMING RIGHT SOCIETY LIMITED

| | 2015-16 | | 2014-15 | |
|------------------------------------------------------------|--------------|---------------------|--------------|---------------------|
| | Rupees | Rupees | Rupees | Rupees |
| NOTE NO. 15 | | | | |
| <u>LICENCE FEES</u> | | | | |
| Performing Right License Fees : | | | | |
| Domestic : | | | | |
| Broadcasting - Radio - FM | 50,50,715 | | 1,13,82,568 | |
| Broadcasting - Television | 39,05,200 | | 38,35,917 | |
| Webcasting | - | | 13,50,000 | |
| Public Performance | 32,92,16,121 | | 36,41,38,047 | |
| | | 33,81,72,036 | | 38,07,06,532 |
| Overseas : | | | | |
| Webcasting | 7,82,140 | | 56,34,891 | |
| Affiliated Societies | 1,05,28,521 | | 3,62,38,795 | |
| | | 1,13,10,661 | | 4,18,73,686 |
| Synchronisation Right License Fees : | | | | |
| Overseas | | 16,591 | | |
| | | 34,94,99,288 | | 42,25,80,218 |
| NOTE NO. 16 | | | | |
| <u>EMPLOYEE BENEFIT EXPENSES</u> | | | | |
| Salaries and Bonus | | 5,18,27,396 | | 4,90,01,603 |
| Contribution to Provident Fund | | 25,96,449 | | 22,08,977 |
| Contribution to Employees' State Insurance Corporation | | 3,97,573 | | 3,94,649 |
| Contribution to Employees' Group Gratuity Assurance Scheme | | 24,646 | | 35,000 |
| Contribution to Employees' Group Superannuation Scheme | | 22,13,396 | | 17,80,212 |
| Staff Welfare Expense | | 18,00,852 | | 20,54,481 |
| | | 5,88,60,312 | | 5,54,74,922 |

THE INDIAN PERFORMING RIGHT SOCIETY LIMITED

| | 2015-16 | | 2014-15 | |
|-------------------------------------------------------------------------------------------------|---------------|--------------------|---------------|--------------------|
| | Rupees | Rupees | Rupees | Rupees |
| NOTE NO. 17 | | | | |
| <u>OTHER EXPENSES</u> | | | | |
| Rent, Rates & Taxes | | 17,78,613 | | 14,88,552 |
| Legal Expenses | 5,79,33,188 | | 7,63,80,279 | |
| Less : Exceptional Legal Expenses expended out of Provision for Exceptional Legal Expense | (3,76,06,277) | 2,03,26,911 | (3,74,90,937) | 3,88,89,342 |
| Travelling Expenses | | 61,11,797 | | 61,09,908 |
| Insurance | | 2,36,112 | | 2,39,248 |
| Repairs, Renewals & Maintenance | | 14,09,786 | | 15,06,370 |
| Electricity | | 12,19,048 | | 13,39,619 |
| Auditors' Remuneration | | | | |
| For Statutory Audit | 10,30,500 | | 7,30,340 | |
| For Income Tax Matters | 5,71,250 | | 10,67,421 | |
| For Company Law Matters | - | | 28,090 | |
| For Other Services | 68,500 | 16,70,250 | 1,32,585 | 19,58,436 |
| Directors' Fees | 24,91,613 | | | |
| Less : Directors Remuneration of earlier years recovered | (3,95,000) | 20,96,613 | | 22,80,920 |
| Society Charges | | 71,764 | | 69,618 |
| Professional Fees | | 51,97,200 | | 50,71,647 |
| Conveyance | | 46,57,951 | | 46,90,661 |
| Telephone & Facsimile | | 18,19,449 | | 18,57,088 |
| Printing & Stationery | | 10,27,205 | | 12,16,892 |
| Postage & Courier | | 17,58,524 | | 18,89,986 |
| Software Maintenance | | 28,21,637 | | 32,78,553 |
| Fees, Subscription & Grants | | 5,76,297 | | 5,34,216 |
| Meeting Expenses | | 9,81,574 | | 8,60,379 |
| Advertisement & Promotion | | 11,01,212 | | - |
| Office Expenses | | 6,79,721 | | 6,71,224 |
| Service Tax & its Interest thereon | | 20,30,660 | | - |
| General Expenses | | 1,05,649 | | 67,771 |
| Bank Charges | | 19,825 | | 5,37,862 |
| Exchange Rate Fluctuation | | (7,300) | | - |
| Less : Finance Income | (63,01,554) | | (97,63,875) | |
| Profit on Sale of Investments | (1,09,84,200) | | (3,55,82,835) | |
| Less : Income Tax for the year | 46,25,060 | | 4,58,871 | |
| Miscellaneous Income | (3,000) | (1,26,63,694) | (3,750) | (4,48,91,589) |
| | | 4,50,26,804 | | 2,96,66,703 |

| | 2015-16 | 2014-15 |
|------------------------------------------------------------------|-------------|-------------|
| | Rupees | Rupees |
| NOTE NO. 18 | | |
| <u>FURTHER INFORMATION</u> | | |
| (i) License Fees received in foreign currency | 1,02,66,997 | 4,15,02,512 |
| (ii) Expenditure in foreign currency on account of : | | |
| Fees & Subscriptions | 4,86,231 | 4,45,760 |
| Software Maintenance | 25,44,539 | 29,47,192 |
| (iii) Royalty remitted in Foreign Currency of Affiliated Society | 1,31,95,951 | 1,62,85,088 |

NOTE NO. 19**DUES OF MICRO AND SMALL ENTERPRISES**

According to the information available, the Company has not failed to make payment of any dues as required under Section 15 of Micro, Small and Medium Enterprises Development Act, 2006; and the outstanding dues to those identified as micro enterprises and small enterprises, under the said Act, as at the end of the year is nil.

NOTE NO. 20**LEGAL MATTERS**

(i) Ministry of Human Resource Development (Copyright Division) of the Central Government, vide Notification dated 14th August 2015, read with Corrigendum dated 27th October 2015, has appointed an Inquiry Officer to inquire into certain alleged irregularities in administration of the Company. The Company, in a writ petition filed before the Hon'ble High Court of Bombay on 18th March 2016, has challenged, inter-alia, the Notification dated 14th August 2015, to the extent of the eligibility of the Inquiry Officer appointed. This writ petition is pending before the Hon'ble High Court. The Company believes that there are no irregularities in the administration of the Company. As such, these legal proceedings may not have any material and adverse impact on the financial position of the Company.

(ii) Based on a F.I.R. dated 2nd June 2014 registered by Sadar Police Station, Agra, a complaint has been filed under Section 5(5) of Prevention of Money Laundering Act, 2002 before the Adjudicating Authority under the said Act, on 18th November, 2015, against the Company, by the Deputy Director, Directorate of Enforcement, Mumbai Region, Mumbai, following an Order dated 20th October 2015, issued by the complainant, provisionally attaching Investments in Mutual Funds valued as on 30th June 2015, at ₹ 70,17,00,483. The company has been confirmed by the Adjudicating Authority, on 23rd March 2016. The Order of the Adjudicating Authority has been appealed against by the Company before the honourable Appellate Tribunal, New Delhi. The Company is confident that the Order issued by the Adjudicating Authority in confirmation of the Order of Provisional

attachment dated 20th October 2015 will be quashed and set aside. The Company is of the view that the impact of these legal proceedings will be limited to the income from the Mutual Funds attached as herein not being considered till the quashing of the Order of attachment.

(iii) A demand of ₹ 1,64,63,173/- has been raised against the Company towards Service Tax for the period 16th June 2005 to 31st March 2010 and penalties totalling to ₹ 1,64,89,173/- have been imposed in this connection on the Company. The demand and the levies have been disputed by the Company and the appeal filed before the Customs, Excise Service tax Appellate Tribunal, Mumbai, is still pending. The Company has also received Show Cause Notices proposing, inter alia, to raise Service Tax demands totalling to ₹ 4,03,66,979/- relating to the period 1st April 2010 to 31st March 2015. The Company is disputing these demands also. Adjudication of these notices are still pending. No provision has been made for all these disputed liabilities. The Company is of the view that no liability will ultimately arise on these accounts and as such, these legal proceedings may not have any material and adverse impact on the financial position of the Company.

(iv) Some of the Broadcasting Companies who had paid License Fees in earlier years have raised claims on the Company for refund of the License Fees already paid by them, based on Delhi, Bombay and Kerala High Court Judgements. The Company has appealed against the said judgements and considers the claims of the Broadcasting Companies as non-sustainable. The amount of refund of License fees is estimated at ₹ 33,68,50,455/- (Last Year ₹ 33,38,29,027/-). No provision has been made for this payment. The Company is of the view that no liability may arise on these accounts and as such, these legal proceedings may not have any material and adverse impact on the financial position of the Company.

(v) In addition to the above, the Company is subject to legal proceedings and claims, which has arisen in the ordinary course of business. The management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effects on the company's result of operations or financial conditions.

NOTE NO. 21
RELATED PARTY TRANSACTIONS

| Sr. No. | Name of the Related Party | Relationship | Nature of Transactions | 2015-16 | 2014-15 |
|---------|-----------------------------------------------------------------------------------|-------------------------|-----------------------------------------------------------------|---------------------------------|--------------------------------|
| | | | | Rupees | Rupees |
| 1 | Mr. Hasan Kamaal | Chairman | Directors' Fees Directors Sitting Fees Medical Assistance | 13,18,000 40,000 2,62,700 | 9,00,000 60,000 3,44,000 |
| 2 | Mr. Om Prakash Sonik | Director | Directors' Fees Directors Sitting Fees Medical Assistance | 6,22,000 30,000 4,49,773 | 6,00,000 60,000 - |
| 3 | Mr. Om Prakash D. Kataria | Director | Directors' Sitting Fees Medical Assistance | 40,000 57,780 | 60,000 - |
| 4 | Mr. Ravindra Jain | Director | Directors' Sitting Fees | 20,000 | 50,000 |
| 5 | Mr. Piraisudan Raju | Director | Directors' Sitting Fees Medical Assistance | 30,000 3,38,089 | 60,000 - |
| 6 | Mr. Samuel Joseph | Director | Directors' Sitting Fees | 30,000 | 60,000 |
| 7 | Mr. Ganesh Jain (representing Venus Worldwide Entertainment Pvt. Ltd.) | Director | Directors' Sitting Fees | 40,000 | 40,000 |
| 8 | Mr. G.B. Aayeer (representing Saregama India Limited) | Director | Directors' Sitting Fees | 30,000 | 40,000 |
| 9 | Mr. Shridhar Subramaniam (representing Sony Music Entertainment (I) Pvt. Ltd.) | Director | Directors' Sitting Fees | 10,000 | 50,000 |
| 10 | Mr. Kumar Taurani (representing Tips Industries Limited.) | Director | Directors' Fees Directors' Sitting Fees | - - | 12 10,000 |
| 11 | Mr. Devraj Sanyal (representing Universal Music India Limited) | Director | Directors' Sitting Fees | 20,000 | 40,000 |
| 12 | Mr. Rakesh Nigam | Chief Executive Officer | Employee Remuneration & Benefits | 94,18,585 | 90,93,585 |
| 13 | Mr. Som Sonik | Son of Director | Employee Remuneration & Benefits | 5,45,600 | 5,02,600 |

NOTE NO. 22

CONTINGENT LIABILITIES

Claims against the Company not acknowledged as debts are as under :

- (i) ₹ 1,64,63,173/- and ₹ 4,03,66,979/- by way of Service Tax and related levies, as detailed in Note No. 20(3).
- (ii) ₹ 33,68,50,455/-, by way of refund of License Fees, as detailed in Note No. 20(4) .

NOTE NO. 23

THE PRESENTATION

The previous year's figures have been regrouped / reclassified, wherever necessary, to confirm to the current year presentation.

SIGNATURES TO NOTES 1 TO 23

Per our report of even date attached to the Financial Statement

For **R.K.KHANNA & ASSOCIATES**

Chartered Accountants

(Firm Registraton No. 105082W)

Sd/-
MOHD. OBAID ANSARI
Partner

(Membership No. 116304)

Place : Mumbai ;
Date : 11th August, 2016

For and on behalf of the Governing Council

Sd/-
HASAN KAMAAL
Director

Sd/-
ABHILASH
Director

Sd/-
G. B. AAYEER
Director

Sd/-
GANESH JAIN
Director

Sd/-
SHRIDHAR SUBRAMANIAM
Director

Sd/-
DEVRAJ SANYAL
Director