

# The Indian Performing Right Society Limited



Crediting the Creator



ANNUAL REPORT 2018-19

# MEMBERS OF THE GOVERNING COUNCIL



## Author / Composer Members -



**Shri Javed Akhtar**  
Chairman



**Shri Rajinder Singh Panesar**



**Shri Aashish Rego**



**Shri U. Vidya Sagar**



**Shri Syed Ahmed**



**Shri Sahithi Cherukupalli**

## Publisher Members -



**Shri Vikram Mehra**  
Saregama India



**Shri Mandar Thakur**  
Times Music



**Shri Sumit Chatterjee**  
Sony Music



**Shri Sushilkumar Agarwal**  
Ultra Media & Ent.



**Shri Aditya Gupta**  
Aditya Music



**Shri Rakesh Nigam**  
CEO

## **MEMBERS OF THE GOVERNING COUNCIL**

(AS AT 24TH OCTOBER 2019)

### **Author Members**

Mr Javed Akhtar

(Chairman)

Mr Sahithi Cherukupalli

### **Composer Members**

Mr. Rajinder Singh Panesar

Mr. Aashish Dominic Rego

Mr. U Vidya Sagar

Mr. Ahmed Syed

### **Publisher Owner Members**

Saregama India Limited

Bennett Coleman & Company Limited

Sony Music Entertainment India Private Limited

Aditya Music (India) Pvt. Ltd.

Ultra Media & Entertainment Private Limited

## **BANKERS**

Bank of India

HDFC Bank

## **LEGAL COUNSELS**

Mr. Ameet Datta

Mr. Sandeep Marne

Mr. Himanshu Bagai

Mr. Yogesh Nadkarni

Mr. Raashid Zaffar

Mr. Suresh Poojary

Mr. Sanjay Chadha

## **AUDITORS**

M/s. R K Khanna & Associates

## **REGISTERED OFFICE**

208, Golden Chambers, New Andheri Link Road,

Andheri (West), Mumbai - 400 053

Telephones : 2673 3748 / 2673 3749 / 2673 3750 / 2673 6616 Fax : 2673 6658

Email : [admin@iprsltd.com](mailto: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](mailto:chennaioffice@iprsltd.com)

### **Eastern**

Room No.7K, 7th Floor, Block-2,  
Diamond Chamber, 4, Chowringhee Lane,  
Kolkatta - 700 016

Tel. : (033) 4005 4450 / 4453

Email : [kolkattaoffice@iprsltd.com](mailto:kolkattaoffice@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](mailto:delhioffice@iprsltd.com)

### **Western**

401, A Wing, Oberoi Chambers,  
New Andheri Link Road,  
Andheri (West), Mumbai - 400 053

Tel.: (022) 2673 3748 / 49 / 50

Email : [licencing@iprsltd.com](mailto:licencing@iprsltd.com)



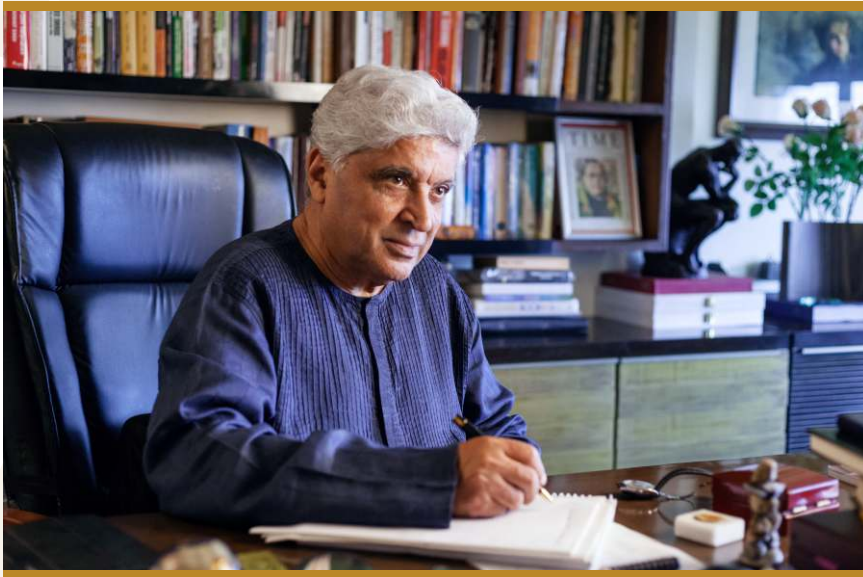


## CONTENTS

Message from Chairman's Desk.....	1
Message from CEO's Desk.....	3
Board's Report.....	6
Statement of Attendance of Directors.....	19
Auditors Report.....	20
Balance Sheet.....	28
Statement of Income and Expenditure.....	29
Cash Flow Statement.....	30
Notes to Accounts.....	31



Celebrating **50** Years



*“Royalties are the salary and the pension plan of creators.”*

## **Message From Chairman’s Desk**

The IPRS was founded 50 years ago, on 23<sup>rd</sup> August 1969, by a group of 7 composers and film producers. They understood that a Copyright Society is absolutely crucial to the success of creators and the creative industries. Decades later, radio, cinema, television, smartphones, and all the new Over-The-Top (OTT) services could not exist without music. Gradually, law makers understood that one-time payments are unfair remuneration for copyrights that last until 60 years after the creator's death. On the other hand, royalties sustain the artists' ability to create, and to protect them in old age or when going through a 'dry patch'. Whether viewed from the perspective of creators, owners or users of music, the collective management of royalties is the most efficient, and most transparent solution to the complexity of rights clearance.

When this new Board, which I have the honor to preside, was elected in 2017, its priority was to resolve past differences and speak in one voice. All of this became possible when the law changed in 2012 granting unique protection to lyricists and music composers. I am happy to say that not a single court case against the Society by any member based on those past dispute remains, and a great many cases against users have also been settled and closed. Today creators and creative business sit side by side on the IPRS Board all united in their effort to build and strengthen the music publishing business in India.

I gave the Board a clear mission: to create value for our members and our licensees by turning IPRS into a world-class copyright society. The IPRS is mindful that licenses must be fair and easy to obtain, every commercial use of music must be remunerated and royalties paid to members accurately and on time. To achieve this goal, we needed to strengthen our administration and invest in state-of-the-art technologies. This is a multi-year effort which is now well underway. The CEO's Report speaks to this ongoing endeavour.

In November 2018, satisfied with our endeavors, the Government renewed our registration as the only Copyright Society for literary and musical works in India. The Government of India's Department of

Promotion of Industry and Internal Trade (DPIIT), the nodal Ministry for the Copyright Act, 1957 and for copyright societies has played a crucial and extremely positive role in supporting creators to realise the promise of the 2012 amendments to the Copyright Act, 1957. At the international level, we were re-admitted into the International Confederation of Authors-Composers Societies (CISAC), the apex body of the world's Copyright Societies. Henceforth, our members will get paid when their music is played in India or elsewhere in the world. In return, IPRS represents the international repertoire in India.

A look at the revenue figures will tell how far we have been successful. Within a short span of two years, IPRS has become the most significant collective rights management society in India. Last May, at the AGM of CISAC in Tokyo, inaugurated by Japanese Prime Minister Shinzô Abe, IPRS was declared "the fastest-growing Society in the world." This recognition was not only very welcome but was also extremely significant because it reflected the efforts of our strongly united Board and growing membership.

The road ahead is not going to be easy because many challenges remain. FM Radio is one of these challenges. The radio industry has grown to 3,000 + crores, but it does not pay royalties to those who create the music that is the very core of its success, despite the change in law in 2012. This must change. IPRS is committed to engaging with the FM Radio Industry. Another challenge is some entities who are not part of IPRS actively seek to deny or limit royalty payments to lyricists and music composer members of IPRS. IPRS is determined to take steps against such illegal activities.

We have a very clear strategy. We have an administrative plan, we have a technology plan, and we have a business and legal plan. We are investing in human capital and in strategic partnerships. In the coming year, members will see the first results of these new initiatives. IPRS is well on its way to become the Gold Standard among collective management societies.

**Javed Akhtar**  
**Chairman**





*“ The role of IPRS has never been more critical for building a better future for music, and for those who create it.”*

## **Message From CEO’s Desk**

To pay a fitting tribute to mark the 50th Anniversary of The Indian Performing Right Society Ltd., I am happy to report that your Society is today better and stronger than ever before.

As the Chairman mentioned in his message, the Society is now fully compliant with the national standards set by the Central Government, and with the international standards set by CISAC, the International Confederation of Authors-Composers Societies, that represents 4 million creators and Copyright Societies in 122 countries.

We are single-mindedly working to enlist new members , improve the accuracy of our database , and bring a world-class efficiency and transparency to our collection and distribution of royalties.

All our plans are now in place. Our revenue has increased by 263% in the last year alone. But this is only the beginning. We continue to invest in our human resources in training, and in cutting-edge technologies, resulting in higher revenues and new services for all our members in the coming year.

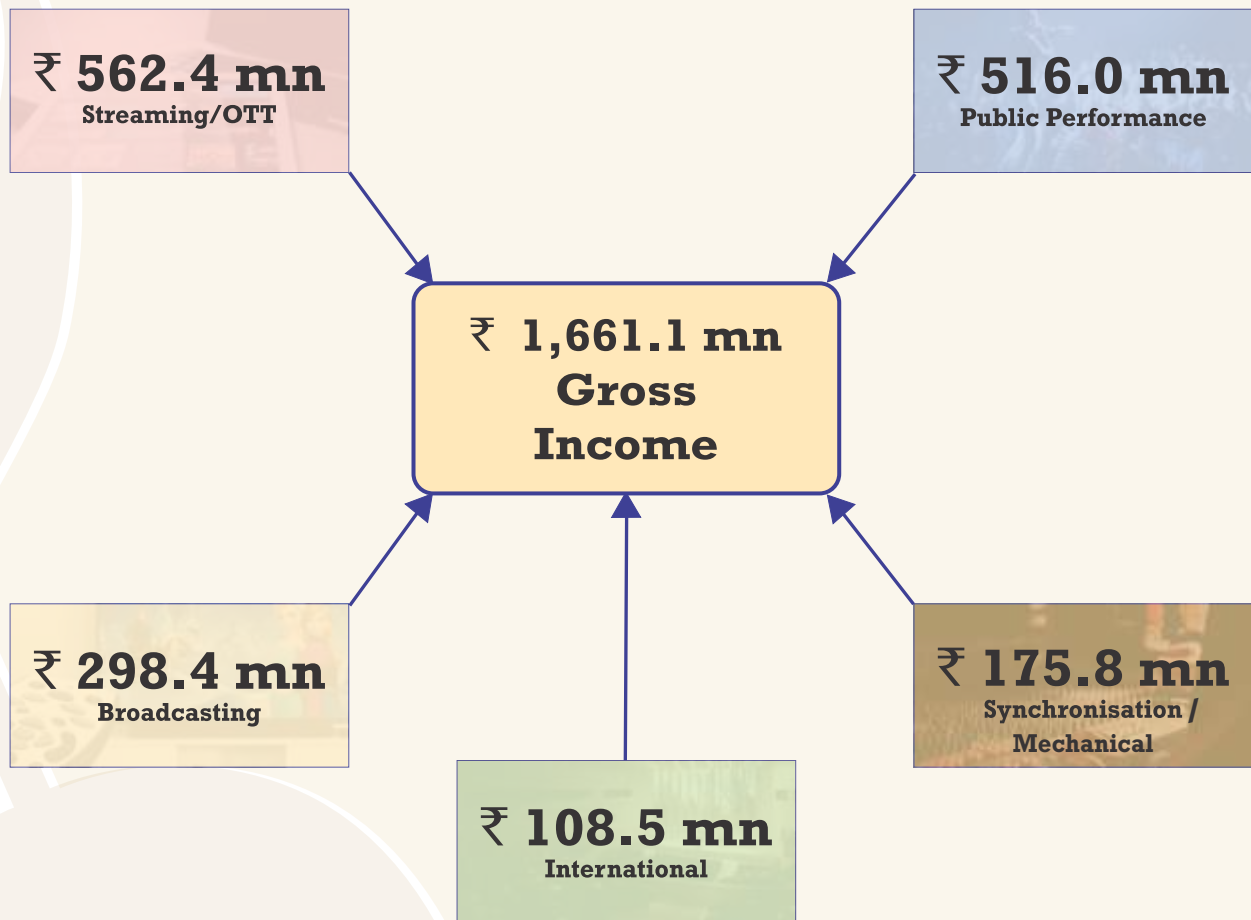
In a global market that witnessed an increasing fragmentation of rights, the development of new services with complex tariff structures, IPRS is all set to create higher monetary value for its members and play a game-changing role in the Indian music industry.

The new design aims to make our Annual Report more understandable for our members, in line with our efforts for better efficiency and greater transparency, all leading to a closer involvement of every member of our Society. Hindi and Tamil speakers will find on our website the summary of this Report in their language.

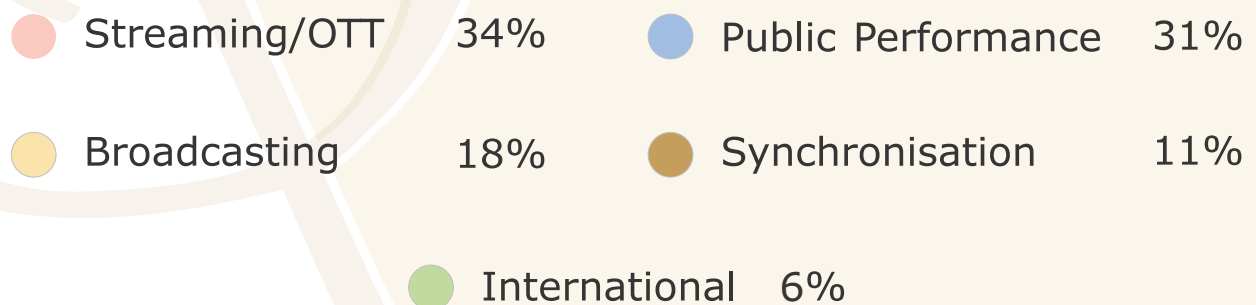
**Rakesh Nigam**  
CEO

# Where the money comes from...

Amount in ₹ mn.



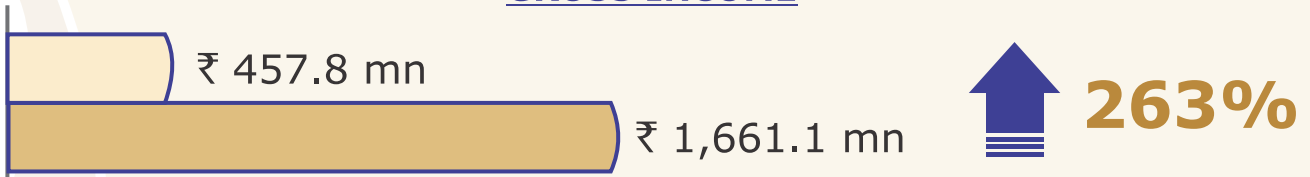
## Contribution to Gross Income



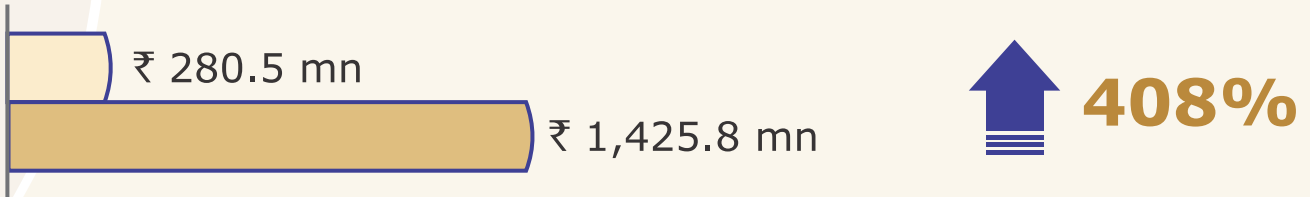
# GROWTH

Amount in ₹ mn.

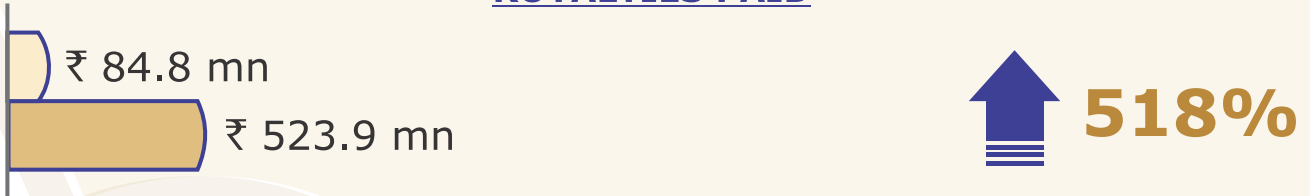
## GROSS INCOME



## NET DISTRIBUTABLE AMOUNT



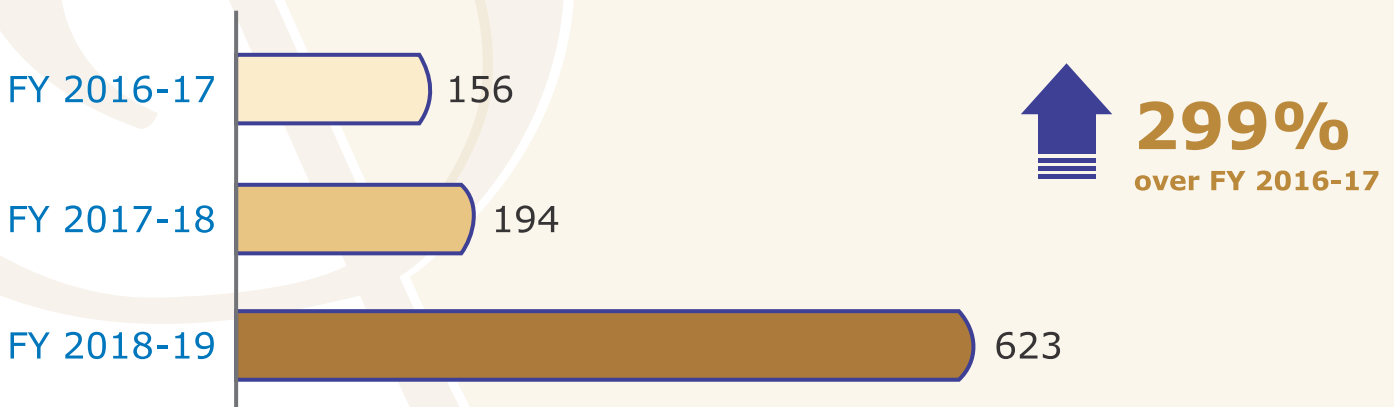
## ROYALTIES PAID



□ FY 17-18    □ FY 18-19

# MEMBERSHIP

## New Membership Registrations



## Membership Composition

Author/Composers	3796
Publishers	850
<b>Total Members</b>	<b>4646</b>

(As on 31<sup>st</sup> March, 2019)

## **BOARD'S REPORT**

**To  
The Members,  
The Indian Performing Right Society Limited (IPRS)**

Your Directors are happy to present this Annual Report along with the Audited Accounts for the year ended on 31st March, 2019.

IPRS is the only Copyright Society in India registered by the Central Government i.e. the Department for Promotion of Industry and Internal Trade (DPIIT) under Section 33 of the Copyright Act, 1957 authorised to carry on the Copyright Business in relation to Musical Works and Literary Works associated with Musical Works. The Interim Registration as Copyright Society granted on 28.11.2017 to the Company was confirmed on 08.06.2018 after IPRS completed further actions as required by the Central Government. The registration means that IPRS activities and obligations are now specifically authorized under and mandated by Chapter VII of the Copyright Act, 1957.

During the year, the Company was also re-admitted by CISAC- the Paris-based International Confederation of Authors-Composers Societies- as part of their global network. CISAC is the apex body that enables collective management organisations to seamlessly represent creators across the globe and ensure that royalties flow to authors for the use of their works anywhere in the world.

The current Financial Year has seen tremendous progress by the Company both in terms of Royalty collection and distribution as well as expansion of the Management Team. The Landmark agreement with Google Ireland Ltd for YouTube works and the breakthrough in TV Broadcast collection by signing deal with the Star TV Network has strengthened the position of IPRS in the market. Subsequent deal closures with Zee Entertainment Enterprises Limited and Sony Entertainment has given the Company a solid base to expand the Royalty collection from other TV Broadcasters.

The Management Team has been expanded to include separate Business team to focus on Royalty collection from Television, Radio & Telecom and OTT/Streaming platforms. The Corporate Team has been strengthened with the addition of Chief Information Officer (CIO) and Chief Financial Officer (CFO). The expansion of the top Management team is to enable the Company to move towards a robust organisation structure wherein global practices are followed in a professional environment.

### **1. LICENSING ACTIVITIES:**

#### **FINANCIAL PERFORMANCE - Royalty (License) Fees:**

The Gross Income from License Fees during the year under review is Rs.16610 Lacs compared to previous year's Gross Income of Rs.4578 Lacs. The growth in Revenue by 263% marks the beginning of a new chapter in the history of the Company. The Royalties due to Members after deduction of Legal and Administration Expenses stood at Rs.14257 Lacs compared to Rs. 2805 Lacs in the previous year.

During the year under review, the Public Performance Revenue increased to Rs.5159 Lakhs, an increase of 50% over previous year revenue of Rs. 3436 Lakhs. The Broadcast License Revenue increased to Rs.2984 Lakhs, a substantial jump over previous year Revenue of Rs.26 Lakhs. The



increase in Broadcast License Revenue is mainly attributable to collection from Television Broadcast. Synchronisation Revenue also saw an increase to Rs.1716 Lacs compared to previous year revenue of Rs. 321 Lakhs.

The Company entered into deals with Google Ireland Limited and Spotify AB during the course of the year. The deal with Google for use of IPRS members work on YouTube marks a significant breakthrough for the company. The Revenue from Streaming platforms increased substantially to Rs.5624 Lakhs from Rs.749 Lakhs in the previous year.

The Overseas Income from Affiliated Societies increased to Rs. 1085 Lacs against Rs.46 Lakhs in the previous year.

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.

## **2. LEGAL MATTERS:**

### **A. Proceedings by the Enforcement Directorate:**

An F.I.R. dated 02nd June, 2014 was registered by Sardar Police Station, Agra and a Complaint had been filed under Section 5(5) of Prevention of Money Laundering Act, 2002, before the Adjudicating Authority against the Company. This was initiated based on a complaint filed by a former Author Member of the Company. Following an Order dated 20th October, 2015, the Deputy Director of Enforcement, Mumbai Region, had provisionally attached Investment in Mutual Funds valued as on 30th June, 2015, at Rs.70,17,00,483. The PAO had been confirmed by the Adjudicating Authority on 23rd March, 2016.

The Company had appealed before the Hon'ble Appellate Tribunal, New Delhi, against the Order of the Adjudicating Authority confirming the Provisional Attachment Order (PAO) and the Order, has been set aside by the Appellate Tribunal, Prevention of Money Laundering Act, vide their decision dated 22.06.2017 passed in favour of IPRS.

The Directorate of Enforcement had filed an appeal against the order dated 22nd June, 2017 before the Bombay High Court.

The Allahabad High Court on 7th November 2017 quashed the Charge sheet and all its consequential proceedings in the FIR lodged in Agra and IPRS had therefore, filed writ petition for quashing of the ECIR.

The High Court of Bombay vide its ad-interim Order dated 27th February, 2018, stayed all the further proceedings qua the Company and further, the High Court vide its order dated 2nd April 2019 read with order of clarification dated 15th April 2019, has confirmed the order of the Appellate Tribunal, set aside the order of Adjudicating Authority and has ordered the release of the funds/ investments which had been provisionally attached.

With effect to the above Order, the name of the Company has been restored by the Mutual Funds, freeze on the Units are removed and the Company is allowed to deal with the respective folios. The Company has simultaneously requested ED to release the Funds to

IPRS Bank account along with the interest earned / accrued thereon for the redemption proceeds for which amount had been transferred to ED by the Mutual Funds. The Company has redeemed most of the Investments and made Royalty payment to the respective members along with the interest as per PMLA Tribunal Order dated 22nd June 2017.

**B. Forensic Audit by Serious Fraud Investigation Office (SFIO) :**

Based on the Report filed by the Commission of Inquiry, an Officer from The Serious Fraud Investigation Office (SFIO) was appointed under the Commission Act formed by the Ministry of Corporate Affairs to conduct forensic audit into the affairs of the Company. IPRS had provided all documents and information as requested for and requisite explanations have been provided. Further, IPRS has made submissions to the Department of Industrial Policy & Promotion (DIPP)-Copyright Office on the observations made in the report of SFIO. The DIPP has subsequently issued a notice, requiring the company to show-cause as to why audit of the Company should not be entrusted to the Comptroller & Auditor General (CAG) of India. The company has submitted the reasons as to why the CAG audit is not required. The Company is of the view that there will be no adverse findings against the Company, as there are no irregularities in the affairs of the Company.

**3. INTERNATIONAL RELATIONS:**

The Company is constantly engaged in improving its International Relations with various Sister Societies. The re-admission to CISAC membership has enabled the Company to receive global payments from overseas societies.

**4. ADMINISTRATION:**

**A. ROYALTY DISTRIBUTION**

The Company distributed gross royalties to the tune of Rs.5239 Lacs (previous year Rs.848 Lacs) to its members including Rs.301 Lacs to International Societies during the financial year under review, and the members were paid royalties accordingly to the Distribution Scheme for the logged and unlogged royalties as approved in the AGM.

**B. DATA DOCUMENTATION**

We are happy to inform that in response to our request to all the members to file their Work Notification Forms/Work details (song/s and or back ground music) with the Company, lot of members have filed their work details. However, there are still Members who have not filed their respective Work Notification Form / Works details with the Company. This causes a lot of difficulties in identifying and claiming their Works and distributing Royalties thereon, especially for digital service providers where the company has to identify and claim royalty for works authored and owned by its members. Hence, we 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 to members.

**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. We further request our members to furnish to the Society a list of works performed at such event. Members may note that the phrase "United We Stand" is most befitting and meaningful in context of our joint endeavors.

**5. REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES:**

During the year under review, your Company did not have any subsidiary, associate or joint venture company.

**6. REVISION OF FINANCIAL STATEMENT:**

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

**7. PARTICULAR OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES:**

During the financial year 2018-19, the transactions/contracts/arrangements entered into by the Company with related party(ies) as defined under provisions of Section 2(76) of the Companies Act, 2013 were in the ordinary course of business and on an arm's length basis.

**8. PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS AND SECURITIES:**

During the financial year 2018-2019, your Company did not give any loans or guarantees or make any investments and provide any securities pursuant to the provisions of Section 186 of the Companies Act, 2013.

**9. MATTERS RELATED TO DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

**A. APPOINTMENT OF DIRECTORS**

As per the provisions of Sections 152 and 160 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and in accordance with Article 24 of the Articles of Association of the Company, the following have been elected at the Annual General Meeting held on 26.12.2018 and as such have been appointed as Directors of the Company:

<b>Name of Director</b>	<b>DIN No.</b>	<b>Category</b>	<b>Region</b>
Mr. Ahmed Syed	08298783	Author-Composer Director	East
Mr. U. Vidya Sagar	08304251	Author-Composer Director	South
Mr. Sumit Chatterjee - representing Sony Music Entertainment India Private Limited	02269713	Publisher-Owner Director	West
Mr. Aditya Gupta - representing Aditya Music (India) Pvt. Ltd.	02815692	Publisher-Owner Director	South
Mr. Sushilkumar Shankarlal Agrawal - representing Ultra Media & Entertainment Private Limited	00116517	Publisher-Owner Director	West

## **B. RETIREMENT OF DIRECTORS BY ROTATION:**

As per the provisions of Section 152 of the Companies Act, 2013, Mr. Aashish Dominic Rego (DIN: 01467041), Author Composer Director-Region West, Mr. Rajinder Singh Panesar (DIN: 00756149), Author Composer Director-Region North, Mr. Sahithi Cherukupalli (DIN: 07769259), Author Director-Region South and Mr. Vikram Mehra (DIN: 03556680), Owner Publisher Director representing Saregama India Limited-Region East, are liable to retire by rotation at the ensuing Forty-ninth Annual General Meeting and being eligible, have offered themselves for re-appointment.

## **C. APPOINTMENT OF OWNER PUBLISHER DIRECTOR REPRESENTING REGION NORTH**

In accordance with Article 24 of the Articles of Association and subject to the provisions of the Companies Act, 2013, the Company is required to appoint an Owner Publisher Director representing Region North. The Company has initiated process for inviting nominations from the Owner Publisher Members from Region North for the said purpose.

## **10. DISCLOSURES RELATED TO GOVERNING COUNCIL MEETINGS, COMMITTEES AND POLICIES:**

### **A. GOVERNING COUNCIL MEETINGS:**

The members of the Governing Council met 4 (Four) times during the financial year ended 31st March 2019 in accordance with the provisions of the Companies Act, 2013 and rules made there under on the following dates:

<b>Sr. No.</b>	<b>Date of General Council Meeting</b>
1.	29th June, 2018
2.	28th September, 2018
3.	17th December, 2018
4.	20th March, 2019

### **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, 2019, 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, 2019 and of the Income and Expenditure for the year ended on that date;
- 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.

**11. 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 2019 :**

The observations made by the Statutory Auditors in their report for the financial year ended 31st March, 2019 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. FRAUD REPORTING:**

During the year under review, there were no instances of material or serious fraud falling under Rule 13(1) of the Companies (Audit and Auditors) Rules, 2013, by officers or employees reported by the Statutory Auditors of the Company during the course of the audit conducted.

**C. STATUTORY 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.

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.

**12. 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 2019 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 its activities, the Board of Directors has nothing to report as per the requirements of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014.

##### **b) Foreign Exchange Earning and Outgo:**

	<b>1<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2019 [Current F.Y.]</b>	<b>1<sup>st</sup> April, 2017 to 31<sup>st</sup> March, 2018 [Previous F.Y.]</b>
	Rs. In Lacs	Rs. In Lacs
Actual Foreign Exchange earnings	6260.89	41.15
Actual Foreign Exchange outgo	418.74	27.16

#### **C. Disclosure related to prevention of sexual harassment of women at workplace:**

The Directors further state that pursuant to the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, no case pertaining to sexual harassment at workplace has been reported to Company during F.Y. 2018-19.

The company has complied with provisions relating to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

#### **D. 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. 2018-19:

- 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. 2018-19.
- e. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

- f. No payment of remuneration / commission has been made to any Director / Key Managerial Personnel from the Holding / Subsidiary Company.

**13. 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/-  
**VIKRAM MEHRA**  
**DIRECTOR**  
**DIN : 03556680**

Sd/-  
**AHMED SYED**  
**DIRECTOR**  
**DIN : 08298783**

Date: 24<sup>th</sup> October, 2019  
Place: Mumbai

**Registered Office:**

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

**CIN: U92140MH1969GAP014359**

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

E-mail : [accounts@iprsltd.com](mailto:accounts@iprsltd.com)

**ANNEXURE I**

**EXTRACT OF ANNUAL RETURN- FORM MGT-9**  
As on financial year ended on 31<sup>st</sup> March 2019  
[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: <a href="mailto:accounts@iprsltd.com">accounts@iprsltd.com</a>
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 31<sup>st</sup> March, 2019:**

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	
<b>A. Promoters</b>									
(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	-	-	-	-	-	-	-	-	-



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) FIIs	-	-	-	-	-	-	-	-	-
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)	-	-	-	-	-	-	-	-	-

**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 (01-04-2018)		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 (01.04.2018)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
-	-	-	-	-	-

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

**V. INDEBTEDNESS:**

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

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

**VI. REMUNERATION & 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:****(Rs. In Lacs)**

Sl. No.	Particulars of Compensation/Fees	Name of Directors	Total Amount (in Rs.)
	1. Board of Directors		
	Fee for attending General Council Meetings	MR. JAVED AKHTAR	0.80
		MR. AASHISH DOMINIC REGO	0.80
		MR. ANUPAM ROY	0.20
		MR. G V PRAKASH KUMAR	0.20
		MR. RAJIDNER SINGH PANESAR	0.80
		MR. SAHITHI CHERUKUPALLI	0.80
		SAREGAMA INDIA LIMITED REPRESENTED BY MR. VIKRAM MEHRA	0.80
		BENNETT COLEMAN & COMPANY LTD. REPRESENTED BY MR. MANDAR THAKUR	0.80
		SONY MUSIC ENTERTAINMENT INDIA PRIVATE LIMITED REPRESENTED BY MR. SUMIT CHATTERJEE	0.20
		ADITYA MUSIC (INDIA) PRIVATE LIMITED REPRESENTED BY MR. ADITYA GUPTA	0.20
		MR. AHMED SYED ALI AHMED	0.20
		MR. UPADRASHTA VIDYA SAGAR	0.20
	<b>Total Directors Fees</b>		<b>6.00</b>
	Overall ceiling as per the Act	Not Applicable since the Company is "Not for Profit organization".	

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

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

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

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

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

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

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

**Sd/-  
VIKRAM MEHRA  
DIRECTOR  
DIN : 03556680**

**Sd/-  
AHMED SYED  
DIRECTOR  
DIN : 08298783**

Date: 24th October 2019  
Place: Mumbai

**Registered Office:**  
208, Golden Chambers,  
New Andheri Link Road,  
Andheri (West),  
Mumbai 400 053

CIN: U92140MH1969GAP014359  
Tel No. 022 – 2673 3748/49/50/6616 Fax No. 022 – 2673 6658  
E-mail: accounts@iprsltd.com

## THE INDIAN PERFORMING RIGHT SOCIETY LIMITED

### Statement indicating Attendance of Directors at the Governing Council Meetings

<b>2018 - 2019 (01.04.2018 to 31.03.2019)</b>				
	Total No. of Meetings	Meetings Attended	Leave of absence applied/granted	Absent
Mr Javed Akhtar	4	4	N/A	N/A
Mr Rajinder Singh Panesar	4	4	N/A	N/A
Mr Aashish Rego	4	4	N/A	N/A
Mr Anupam Roy	3	1	2	N/A
Mr Sahithi Cherukupalli	4	4	N/A	N/A
Mr G V Prakash Kumar	3	1	2	N/A
Mr. Ahmed Syed	1	1	N/A	N/A
Mr. U. Vidya Sagar	1	1	N/A	N/A
M/s. Saregama India Ltd.	4	4	N/A	N/A
M/s. Sony Music Entertainment India Pvt. Ltd.	1	1	N/A	N/A
M/s Bennett Coleman & Co. Ltd.	4	4	N/A	N/A
M/s. Ultra Media & Entertainment Pvt. Ltd.	1	-	1	N/A
M/s. Aditya Music (India) Pvt. Ltd.	1	1	N/A	N/A



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

**Report on the Audit of the Standalone Financial Statements**

**Opinion**

We have audited the standalone financial statements of THE INDIAN PERFORMING RIGHT SOCIETY LIMITED, ("the Company"), which comprise the Balance Sheet as at 31st March, 2019, the Statement of Income and Expenditure, the Statement of Cash Flows for the year then ended, and Notes to the Financial Statements, including a summary of Significant Accounting Policies and other Explanatory Information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019, income and expenditure on behalf of members of the Company 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 *Auditors' 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.

**Emphasis of Matter**

**(A) Significant Accounting Policy on Revenue Recognition**

We draw attention to Note No. 2.2 of the financial statements, which describes the Accounting Policy followed by the Company for Revenue Recognition with effect from the current year as well as to the Note at the end of Note No. 16 on License Fees, disclosing the effect of change in Policy, determined at ₹ 51,28,03,873/-.

Our opinion is not modified in respect of these matters.

**(B) Effects of Legal Matters**

We draw attention to Note No. 21 of the financial statements, which describes the effects of

Legal Matters.

Our opinion is not modified in respect of these matters.

### **Responsibility of Management and Those Charged with Governance for the Standalone Financial Statements**

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

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditors Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also -

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit

procedures that are appropriate in the circumstances.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

#### **Report on Other Legal and Regulatory Requirements:**

- (1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in *Annexure A*, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) As required by section 143(3) of the Act, we report that:
  - (a) We have sought 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, the Statement of Income & Expenditure and the Statement of Cash Flow 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 2019 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March 2019 from being appointed as a Director in terms of Section 164(2) of the Act;

- (f) With respect to the adequacy of the internal financial 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 given to us:
  - (i) The Company has disclosed impact of pending litigations on its financial position in its financial statements - Refer to Note No. 21 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 Regn. No.105082W)**

Sd/-  
**MOHAMMED OBAID ANSARI**  
**Partner**  
**(Membership No.116304)**

**Place: Mumbai;**  
**Date: 24th October 2019**

## 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 ₹)	Period to which amount Relates	Forum where dispute is pending
Service Tax, Penalty & Late Fees	3,29,52,346/-	16/06/2005 to 31/03/2010	Supreme Court
Service Tax, Penalty & Late Fees	3,30,47,312/-	01/04/2010 to 31/03/2014	CESTAT, Mumbai
Service Tax	1,05,23,968/-	01/04/2014 to 31/03/2015	Commissioner of Goods & Service Tax
Service Tax	3,44,65,955/-	01/04/2015 to 31/03/2017	Commissioner of Goods & Service Tax

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 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/-**

**MOHAMMED OBAID ANSARI**

Partner

*(Membership No. 116304)*

Place : Mumbai

Date: 24th October, 2019

## 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 2019 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 unauthorized 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 2019, 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/-

### **MOHAMMED OBAID ANSARI**

Partner

*(Membership No. 116304)*

Place : Mumbai;

Date : 24th October, 2019

# THE INDIAN PERFORMING RIGHT SOCIETY LIMITED

## BALANCE SHEET AS AT 31ST MARCH 2019

	Note No.	31 <sup>st</sup> March 2019		31 <sup>st</sup> March 2018	
		Rupees	Rupees	Rupees	Rupees
<b>LIABILITIES</b>					
<b>Non-Current Liabilities</b>					
Long Term Liabilities	3	22,29,080		22,29,080	
Long Term Provisions	4	5,25,602		92,99,048	
			27,54,682		1,15,28,128
<b>Current Liabilities</b>					
Royalties to Members	5	1,92,39,08,635		1,06,64,55,329	
Other Current Liabilities	6	3,49,18,591		2,86,09,381	
Short Term Provisions	7	2,34,66,949		1,87,98,199	
			1,98,22,94,175		1,11,38,62,909
			<b>1,98,50,48,857</b>		<b>1,12,53,91,037</b>
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Property, Plant & Equipment					
Tangible Assets	8	3,74,87,688		3,37,51,995	
Intangible Assets	9	73,08,140		63,17,140	
Less : Funded out of Royalties Collected		(4,47,95,828)		(4,00,69,135)	
			-		-
Long term Loans and Advances	10		66,99,272		32,34,692
<b>Current Assets</b>					
Current Investments	11	70,17,00,483		70,31,90,934	
Trade Receivable	12	51,28,03,873		-	
Cash and Cash-Equivalents	13	60,49,16,973		32,40,91,567	
Short Term Loans and Advances	14	11,36,759		11,41,329	
Other Current Assets	15	15,77,91,497		9,37,32,515	
			1,97,83,49,585		1,12,21,56,345
			<b>1,98,50,48,857</b>		<b>1,12,53,91,037</b>

Notes 1 to 24 form an integral part of these Financial Statements

Per our report of even date attached to the Financial Statements

For and on behalf of the Board of Directors of  
The Indian Performing Right Society Limited

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

Sd/-  
**MOHAMMED OBAID ANSARI**  
Partner

(Membership No. 116304)  
Place : Mumbai ;  
Date : 24th October, 2019

Sd/-  
**AASHISH REGO**  
Director

Sd/-  
**MANDAR THAKUR**  
Director

Sd/-  
**AHMED SYED**  
Director

Sd/-  
**SUSHILKUMAR AGRAWAL**  
Director

Sd/-  
**SAHITHI CHERUKUPALLI**  
Director

Sd/-  
**VIKRAM MEHRA**  
Director

Sd/-  
**ADITYA GUPTA**  
Director

**THE INDIAN PERFORMING RIGHT SOCIETY LIMITED**  
**STATEMENT OF INCOME AND EXPENDITURE**  
**FOR THE YEAR ENDED 31ST MARCH 2019**

	Note No.	2018-19		2017-18	
		Rupees	Rupees	Rupees	Rupees
<b>LICENSE FEES</b>	16		1,66,10,42,887		45,78,40,658
<b>EXPENSES</b>					
Employee Benefits Expense	17	9,08,77,527		8,38,12,938	
Other Expenses	18	14,43,90,765		9,34,84,549	
<b>Total Expenses</b>			<b>23,52,68,292</b>		<b>17,72,97,487</b>
<b>Net Royalties Payable to Members</b>			<b>1,42,57,74,595</b>		<b>28,05,43,170</b>
<b>BALANCE</b>			<b>NIL</b>		<b>NIL</b>

Notes 1 to 24 form an integral part of these Financial Statements

Per our report of even date attached to the Financial Statements

For and on behalf of the Board of Directors of  
The Indian Performing Right Society Limited

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

Sd/-  
**MOHAMMED OBAID ANSARI**  
Partner

Sd/-  
**AASHISH REGO**  
Director

Sd/-  
**AHMED SYED**  
Director

Sd/-  
**SAHITHI CHERUKUPALLI**  
Director

Sd/-  
**VIKRAM MEHRA**  
Director

(Membership No. 116304)  
Place : Mumbai ;  
Date : 24th October, 2019

Sd/-  
**MANDAR THAKUR**  
Director

Sd/-  
**SUSHILKUMAR AGRAWAL**  
Director

Sd/-  
**ADITYA GUPTA**  
Director



## THE INDIAN PERFORMING RIGHT SOCIETY LIMITED

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

	2018-19	2017-18
	Amount (Rs.)	Amount (Rs.)
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
License Fees Received	1,66,10,42,887	45,78,40,658
Royalties Paid	(52,38,07,221)	(8,32,93,288)
Royalties used for Financing of Property, Plant and Equipment	(56,19,758)	(14,15,814)
Refund of Licence Fees to TV Today Network Ltd.	(3,84,15,601)	-
Medical Assistance given to Members	(4,58,714)	(4,79,185)
Exceptional Legal Expenses	-	(2,05,89,806)
Cue Sheet making charges	(20,000)	(1,37,000)
Security Deposit Paid	(34,64,580)	(53,660)
(Increase) / Decrease in Short Term Loan & Advances	4,571	1,99,542
(Increase) / Decrease in Other Current Assets	(6,32,11,691)	(2,24,60,817)
(Increase) / Decrease in Trade Receivables	(51,28,03,873)	-
Increase / (Decrease) in Other Current Liabilities	1,09,77,961	1,73,53,871
Payment of Enhanced liabilities to Employees Group Gratuity Scheme	(87,73,446)	-
Payment to Employees and Administration Expenses	(25,59,74,231)	(17,98,06,736)
<b>Net Cash from Operating Activities (A)</b>	<b>25,94,76,305</b>	<b>16,71,57,765</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITY</b>		
Interest Received on Investments	1,98,58,650	97,10,411
Decrease in Current Investments	14,90,451	-
<b>Net Cash used in Investing Activities (B)</b>	<b>2,13,49,102</b>	<b>97,10,411</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
<b>Net Cash used from Financing Activities (C)</b>	-	-
	-	-
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalent (A+B+C)</b>	<b>28,08,25,406</b>	<b>17,68,68,176</b>
Opening Balance of Cash and Cash Equivalent	32,40,91,567	14,72,23,391
<b>Closing Balance of Cash and Cash Equivalent</b>	<b>60,49,16,973</b>	<b>32,40,91,567</b>

Notes 1 to 24 form an integral part of these Financial Statements

Per our report of even date attached to the Financial Statements

For and on behalf of the Board of Directors of  
The Indian Performing Right Society Limited

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

Chartered Accountants

(Firm Registration No. 105082W)

Sd/-

**MOHAMMED OBAID ANSARI**

Partner

(Membership No. 116304)

Place : Mumbai ;  
Date : 24th October, 2019

Sd/-

**AASHISH REGO**

Director

**MANDAR THAKUR**  
Director

Sd/-

**AHMED SYED**

Director

**SUSHILKUMAR AGRAWAL**  
Director

Sd/-

**SAHITHI CHERUKUPALLI**

Director

Sd/-

Sd/-

**VIKRAM MEHRA**

Director

**ADITYA GUPTA**  
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 2019**

**NOTE NO. 1**

**COMPANY OVERVIEW**

The Indian Performing Right Society Limited (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/-. IPRS is a registered Copyright Society under Sub-section (3) of Section 33 of the Copyright Act, (14 of 1957), to carry on issuing or granting licences in respect of musical work and literary work associated with musical work, by the virtue of the Registration Certificate granted to the Society under the said Copyright Act.

**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 (including the amounts guaranteed as minimum revenue, if any) is generally recognised based on and subject to issue of license/execution of contract before the end of the year, on accrual basis considering the period of the underlying license.

The revenue from license fees from public performance is recognised in the year of issue of licenses, (the impact on year to year basis, of recognising the revenue on accrual basis, considering the period of underlying license, being immaterial). The revenue from Affiliated Societies and Synchronisation Rights are recognised in the year of receipt of license fees, (on account of significant uncertainty associated with the determination of the amount of revenue, relating to the remaining period).

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 Property, Plant and Equipment :**

Property, Plant and Equipment are stated at their cost of acquisition or construction and including costs, attributable to bring the assets to their working condition for their intended use, subject to notes on Grants Received and Funding of Property, Plant & Equipment noted below.

Subsequent expenditures relating to Property, Plant and Equipment are capitalised only when it is probable that future economic benefits associated with these will flow to the Company and cost of the item can be measured reliably. Repairs & maintenance costs are recognised in the Statement of Income and Expenditure, when incurred.

#### **2.5 Grant Received :**

The grant received for acquisition of Property, Plant & Equipment is shown as a deduction from the gross value of the assets concerned in arriving at their book value.

#### **2.6 Funding of Property, Plant & Equipment :**

Property, Plant & Equipment, 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 adjusting the funding of Property, Plant & Equipment, as indicated in the Note No. 2.5.

#### **2.7 Foreign Currency Translation :**

Transactions in foreign currencies including those relating to acquisition of Property, Plant & Equipment are translated at exchange rates ruling at transaction dates.

#### **2.8 Investments :**

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

#### **2.9 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.

#### **2.10 Income Tax :**

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

#### **2.11 Deferred Tax :**

Since the tax liability arises only on the Finance Income, the question of Deferred Tax does not arise.

#### **2.12 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.

	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
	Rupees	Rupees
<b>NOTE NO. 3</b> <b><u>LONG TERM LIABILITIES</u></b>		
Advances Received	22,29,080	22,29,080
<b>NOTE NO. 4</b> <b><u>LONG TERM PROVISIONS</u></b>		
Provision for Employee Benefits	5,25,602	92,99,048
<b>NOTE N O. 5</b> <b><u>ROYALTIES TO MEMBERS</u></b>		
Royalties to Members	1,92,39,08,635	1,06,64,55,329
#Out of Licence Fees collected during the year, ₹13,06,17,600/- collected for Synchronization have been taken up for distribution without making any deduction for administration expenses.		
<b>NOTE NO. 6</b> <b><u>OTHER CURRENT LIABILITIES</u></b>		
Sundry Creditors	1,10,06,608	1,91,20,379
Advance from Customers	8,36,505	-
Value Added Tax Payable	-	(47,214)
Goods & Service Tax Payable	13,75,629	20,10,023
Tax Deducted at Source Payable	2,16,99,850	75,26,193
	<b>3,49,18,591</b>	<b>2,86,09,381</b>
<b>NOTE NO. 7</b> <b><u>SHORT TERM PROVISIONS</u></b>		
Provision for Income Tax	1,91,30,748	1,43,00,660
Provision for Employee Benefits	43,36,201	44,97,539
	<b>2,34,66,949</b>	<b>1,87,98,199</b>

**NOTE NO. 8  
TANGIBLE ASSETS**

Description of Assets	Rate of Depreciation	COST						DEPRECIATION / AMORTIZATION				NET VALUE	
		As at 01-4-2018	Additions during the year	Deletion During the year	As at 31-3-2019	As at 01-4-2018	During the year	Adjustments	As at 31-3-2019	As at 31-3-2019	As at 31-3-2018		
		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	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	4,42,755	
Furniture & Fixtures	18.10	42,22,360	1,07,460	1,83,130	41,46,690	17,07,161	-	-	17,07,161	24,39,529	25,15,199	25,15,199	
Air Conditioners	13.91	9,46,413	1,21,875	6,75,340	3,92,948	84,823	-	-	84,823	3,08,125	8,61,590	8,61,590	
Computers	40.00	73,06,354	35,15,220	67,248	1,07,54,326	4,86,277	-	-	4,86,277	1,02,68,049	68,20,077	68,20,077	
Office Equipments	13.91	18,82,412	7,24,142	7,600	25,98,954	3,12,361	-	4,514	3,07,847	22,91,108	15,70,052	15,70,052	
EPABX	13.91	2,85,790	1,95,800	-	4,81,590	-	-	-	-	4,81,590	2,85,790	2,85,790	
<b>Total</b>		<b>4,41,79,398</b>	<b>46,64,497</b>	<b>9,33,318</b>	<b>4,79,10,577</b>	<b>1,04,27,403</b>	<b>4,514</b>	<b>4,514</b>	<b>1,04,22,889</b>	<b>3,74,87,688</b>	<b>3,37,51,995</b>	<b>3,37,51,995</b>	
Previous Year's Figures		4,55,75,598	11,77,592	25,73,792	4,41,79,398	1,28,21,224	-	23,93,822	1,04,27,403	3,37,51,995	3,27,54,374	3,27,54,374	

This Note discloses details of tangible Assets held by the Company, not withstanding that the cost of these Assets to the Company is 'Nil', in terms of Note No. 2.4, 2.5 and 2.6 above.

**NO. 9  
INTANGIBLE ASSETS**

Description of Assets	Rate of Depreciation	COST				DEPRECIATION / AMORTIZATION				NET VALUE		
		As at 01-04-2018	Additions during the year	Deletion During the year	As at 31-3-2019	As at 01-04-2018	During the year	Adjustments	As at 31-3-2019	As at 31-3-2019	As at 31-3-2018	
		Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	
Software	40.00	93,22,342	9,91,000	-	1,03,13,342	30,05,202	-	-	30,05,202	73,08,140	63,17,140	63,17,140
<b>Total</b>		<b>93,22,342</b>	<b>9,91,000</b>	<b>-</b>	<b>1,03,13,342</b>	<b>30,05,202</b>	<b>-</b>	<b>-</b>	<b>30,05,202</b>	<b>73,08,140</b>	<b>63,17,140</b>	<b>63,17,140</b>
Previous Year's Figures		93,64,492	2,45,000	2,87,150	93,22,342	30,07,852	2,650	2,650	30,05,202	63,17,140	63,56,640	63,56,640

This Note discloses details of intangible Assets held by the Company, not withstanding that the cost of these Assets to the Company is 'Nil', in terms of Note No. 2.4, 2.5 and 2.6 above.



	31 <sup>st</sup> March 2019		31 <sup>st</sup> March 2018	
	Rupees	Rupees	Rupees	Rupees
<b>NOTE NO. 10</b>				
<b><u>LONG TERM LOANS AND ADVANCES</u></b>				
Security Deposits		44,60,972		9,96,392
Other Deposits		22,38,300		22,38,300
		<b>66,99,272</b>		<b>32,34,692</b>
<b>NOTE NO. 11</b>				
<b><u>CURRENT INVESTMENTS</u></b>				
<b>Bank Deposits *</b>				
with more than 12 months maturity		–		14,90,451
<b>Investments in Mutual Funds (Unquoted)</b>				
ICICI Pru.FMP - Series - 68-PLAN H	2,00,00,000		2,00,00,000	
ICICI Pru. FMP Series 68-Plan J	2,00,00,000		2,00,00,000	
ICICI Prudential Regular Savings Fund	2,00,00,000		2,00,00,000	
ICICI PRU. Regular Saving Fund - G -5597091	1,99,27,211		1,99,27,211	
ICICI PRU. Regular Saving Fund - G-5815691	1,00,72,789		1,00,72,789	
IDFC Fixed Term Plan Series 21***	2,50,00,000		2,50,00,000	
IDFC Fixed Term Plan Series 23***	2,75,00,000		2,75,00,000	
Kotak Medium Term Fund	2,50,00,000		2,50,00,000	
Reliance Regular Saving Growth 404136109594#	4,00,00,000		4,00,00,000	
Reliance Regular Savings Fund #	2,30,00,000		2,30,00,000	
Reliance Short Term Growth Plan #	2,00,00,000		2,00,00,000	
Templeton India Low Duration Fund	4,85,00,000		4,85,00,000	
Templeton India Short Term Income Plan	5,75,00,000		5,75,00,000	
Franklin India Banking & PSU Debt Fund	2,00,00,000		2,00,00,000	
Birla Income Plus - Growth	1,50,00,000		1,50,00,000	
Birla Sun Life Dynamic Bond Fund- Growth	6,78,85,887		6,78,85,887	
Birla Sun Life Income Plus - Growth	75,00,000		75,00,000	
HDFC Corporate Debt Opportunities #	3,00,00,000		3,00,00,000	
Kotak Bond Short Term	75,00,000		75,00,000	
ICICI Prudential Flexible Income Plan - DDR**	8,60,13,469		8,60,13,469	
Birla Sun Life Cash Plus**	11,13,01,127	70,17,00,483	11,13,01,127	70,17,00,483
		<b>70,17,00,483</b>		<b>70,31,90,934</b>
**These are under 'Dividend Reinvestment Scheme'				
*** Maturity proceeds of these Investments have been released in favour of Directorate of Enforcement after 30th June 2015.				
#These Investments have been transferred in the name of Directorate of Enforcement after 30th June 2015.				
NOTE : The Investments in Mutual Funds amounting to ₹ 70,17,00,483/- as on 30th June 2015, had been provisionally attached by the Directorate of Enforcement, Mumbai Region, on 20th October 2015. Accordingly, income from two of the above Investments under the 'Dividend Reinvestment Scheme' and their reinvestments have been considered only upto 30th June 2015. The order of the Director of Enforcement has been set aside by the Appellate Tribunal and confirmed by the hon'ble High Court of Bombay on 2nd April, 2019, that is, after the close of the financial year.				

	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
	Rupees	Rupees
<b>NOTE NO. 12</b> <b><u>TRADE RECIEVABLES</u></b> Due for less than six months Unsecured but considered good	<b>51,28,03,873</b>	-
<b>NOTE NO. 13</b> <b><u>CASH AND CASH EQUIVALENTS</u></b>  Cash in Hand Cash at Banks	2,06,554 60,47,10,419 <b>60,49,16,973</b>	1,90,451 32,39,01,116 <b>32,40,91,567</b>
<b>NOTE NO. 14</b> <b><u>SHORT TERM LOANS AND ADVANCES</u></b>  Loans and Advances Other Dues	7,47,717 3,89,042 <b>11,36,759</b>	7,34,717 4,06,612 <b>11,41,329</b>
<b>NOTE NO. 15</b> <b><u>OTHER CURRENT ASSETS</u></b> Accrued Interest Tax Deducted at Source	- 15,77,91,497 <b>15,77,91,497</b>	8,47,292 9,28,85,223 <b>9,37,32,515</b>

	2018-19		2017-18	
	Rupees	Rupees	Rupees	Rupees
<b>NOTE NO. 16</b>				
<b><u>LICENCE FEES</u></b>				
Performing & Mechanical Right License Fees :				
Domestic :				
Broadcasting - Radio - FM	48,29,094		24,75,000	
Broadcasting - Television	29,36,06,890		1,40,000	
Webcasting/Streaming	4,47,81,576		7,49,62,141	
Mechanical Rights	42,55,770		-	
Public Performance	51,59,07,291	86,33,80,621	34,36,01,402	42,11,78,543
Overseas :				
From Affiliated Societies	10,84,61,230		45,63,601	
Webcasting/Streaming	51,76,28,359	62,60,89,589	-	45,63,601
Synchronisation Rights Licences Fees :				
Synchronisation	15,63,80,177		2,31,89,181	
Performing Rights for Synchronisation	1,51,92,500	17,15,72,677	89,09,333	3,20,98,514
		<b>1,66,10,42,887</b>		<b>45,78,40,658</b>

**Note:**

- (a) The above includes Authors' Statutory Royalties.
- (b) For and upto the year ended 31st March 2018, the Policy on Revenue Recognition was to recognise the revenue from License Fees on the basis of fees received by the Company under the license granted, irrespective of the period covered by the license. However, this policy stands changed during the current year, as described in Note No. 2.2 above. Consequent to this, the License Fees for the year stands increased by ₹ 51,28,03,873/-.

<b>NOTE NO. 17</b>				
<b><u>EMPLOYEE BENEFIT EXPENSES</u></b>				
Salaries and Bonus		7,93,06,247		6,56,72,050
Contribution to Provident Fund		38,87,242		33,14,195
Contribution to Employees' State Insurance Corporation		5,82,914		6,04,296
Contribution to Employees' Group Gratuity Assurance Scheme		3,10,324		89,00,958
Contribution to Employees' Group Superannuation Scheme		32,29,932		29,54,784
Staff Welfare Expense		28,97,308		23,66,655
Staff Recruitment Expense		6,63,560		-
		<b>9,08,77,527</b>		<b>8,38,12,938</b>

**NOTE NO. 18**  
**OTHER EXPENSES**

	2018-19		2017-18	
	Rupees	Rupees	Rupees	Rupees
Rent, Rates & Taxes		68,65,726		22,80,397
Legal Expenses	8,10,64,261		6,92,50,037	
Less : Exceptional Legal Expenses expended out of Provision for Exceptional Legal Expense	-	8,10,64,261	(2,05,89,806)	4,86,60,232
Travelling Expenses		1,60,92,186		1,05,04,027
Insurance		1,63,430		1,23,338
Repairs, Renewals & Maintenance		22,14,950		15,31,292
Electricity		17,33,062		14,04,444
Auditors' Remuneration				
For Statutory Audit	15,00,000		9,00,000	
For Income Tax Matters	8,50,000		7,50,000	
For Certification	52,500	24,02,500	267,250	19,17,250
Directors' Sitting Fees		6,00,000		10,74,000
Society Charges		92,113		67,978
Professional Fees		1,54,96,376		1,10,48,943
Conveyance		72,80,506		57,40,244
Telephone & Internet		27,37,321		19,53,177
Printing & Stationery		23,32,825		17,07,738
Postage & Courier		26,63,446		20,38,937
Software Maintenance		52,94,153		36,67,963
Fees, Subscription & Grants		93,501		1,09,333
Meeting Expenses		40,25,754		20,12,461
Advertisement & Promotion		56,13,339		42,89,036
Office Expenses		15,25,146		6,94,098
General Expenses		70,320		3,578
Bank Charges		9,10,030		1,46,997
Less : Finance Income	(1,90,11,358)		(98,38,672)	
Miscellaneous Income	(11,57,781)		(1,85,700)	
Less : Income Tax for the year	52,88,960	(1,48,80,179)	25,33,458	(74,90,914)
		<b>14,43,90,765</b>		<b>9,34,84,549</b>

NOTE : Income arising from Mutual Fund has not been considered during the year, as the Mutual Funds have been provisionally attached by the Directorate of Enforcement, Mumbai Region, on 20th October 2015. The Order of the Director of Enforcement has been set aside by the Appellate Tribunal and confirmed by the hon'ble High Court of Bombay on 2nd April 2019, that is, after the close of the financial year. Accordingly, no effect has been given to the setting aside of the Order of the Director of Enforcement in the current financial year.

	2018-19	2017-18
	Rupees	Rupees
<b>NOTE NO. 19</b>		
<b><u>FURTHER INFORMATION</u></b>		
(i) License Fees received in foreign currency	62,60,89,589	41,14,671
(ii) Expenditure in foreign currency on account of :		
Software Maintenance	29,49,878	27,16,122
Fees for Professional Services	87,77,494	-
Royalty remitted to Affiliated Societies	3,01,20,124	-

**NOTE NO. 20**

**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. 21**

**LEGAL MATTERS**

(i) The Government of India, Ministry of Corporate Affairs, in compliance with a request (in exercise of his powers under section 4 & 5 of the Commission of Inquiry Act 1952) by the Inquiry Officer who was appointed under Section 33(4) of the Copyright Act, 1957, vide Notification No.F.16-4/2012-CRB/Leg.Unit dated 14th August 2015, had approved a Forensic Audit of the Company. Accordingly, an officer of Serious Fraud Investigation Office (SFIO) has been appointed to conduct the said forensic audit.

SFIO had enquired into the functioning of the Company and the requisite explanations and the required documents had been provided by the Company. SFIO had submitted its report to The Government of India, Ministry of Commerce & Industry, Department of Industrial Policy & Promotion (DIPP) - Copyright office. The (DIPP) - Copyright office had forwarded a copy of the Report to the Company and had asked the Company to submit their comments on the findings of the SFIO. The Company had accordingly made their submissions.

A notice has been received from the DIPP, requiring the Company to show cause as to why audit of the Company should not be entrusted to the Comptroller & Auditor General (CAG) of India under Section 20 of the Comptroller & Auditor General (Duties, Power and Conditions of Service) Act, 1971. The Company has submitted the reasons as to why the Audit by the Comptroller & Auditor General is not required. The Company believes that 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 had 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 Deputy Director, Directorate of Enforcement, provisionally attaching Investments in Mutual Funds valued as on 30th June 2015, at ₹ 70,17,00,483. This Order had been confirmed by the Adjudicating Authority, on 23rd March 2016. The Order of the Adjudicating Authority



confirming the Provisional Attachment Order (PAO), has been set aside by the Appellate Tribunal constituted under Prevention of Money Laundering Act, vide their decision dated 22nd June 2017. Against the challenge by the Deputy Director, Directorate of Enforcement of the legality, validity and propriety of the order of the Appellate Tribunal, before the High Court of Bombay, the High Court has passed an ad-interim order staying all further proceeding qua the Company, vide this order dated 27th February 2018. Further, the High Court vide its order dated 2nd April 2019 read with order of clarification dated 15th April 2019, has confirmed the order of the Appellate Tribunal, set aside the order of Adjudicating Authority and has ordered the release of the funds/investments which had been provisionally attached. In effect, these legal proceedings have no adverse impact on the financial position of the Company.

(iii) A demand of ₹ 1,64,63,173/- had 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/- had been imposed in this connection on the Company. The demand and the levies had been disputed by the Company and an appeal filed before the Customs, Excise & Service Tax Appellate Tribunal, Mumbai. The Tribunal has set aside the demands raised against the Company for the period 16th June 2005 to 31st March 2010, vide its order dated 16th March, 2017. An appeal against the above order, filed by the Commissioner of Service Tax before the Hon'ble Supreme Court is pending before Supreme Court. The company is taking appropriate steps to contest the appeal.

A demand of ₹ 2,98,43,011/- similar to the one stated above has been raised against the Company towards Service Tax for the period 1st April 2010 to 31st March 2014 and penalties totalling to ₹ 30,24,301/- and late fees totalling to ₹ 1,80,000/- have been imposed on the Company. The demand and the levies had been disputed by the Company and an appeal has been filed before the Customs, Excise & Service Tax Appellate Tribunal, Mumbai. The appeal is pending before the Tribunal.

The Company has also received two Show Cause Notices proposing, inter alia, to raise similar Service Tax demands totalling to ₹1,05,23,968/- relating to the period 1st April 2014 to 31st March 2015 and ₹3,44,65,955/- relating to the period 1st April 2015 to 31st March 2017, as well as consequential levies of interest and penalties. The Company has disputed the propose demand of ₹1,05,23,968/- and is in the process of disputing the demand of ₹3,44,65,955/-.

No provision has been made for service tax related 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 claim for refund of License fees is estimated at ₹31,47,14,432/-. No provision has been made by the Company in respect of these claims for refund. 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 have 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. 22****RELATED PARTY TRANSACTIONS**

Sr. No.	Name of the Related Party	Relationship	Nature of Transactions	2018-19	2017-18
				Rupees	Rupees
1	Mr. Javed Akhtar	Chairman	Directors Sitting Fees	80,000	1,20,000
2	Mr. Aashish Rego	Director	Directors Sitting Fees	80,000	1,00,000
3	Mr. Anupam Roy	Director	Directors' Sitting Fees	20,000	40,000
4	Mr. G V Prakash Kumar	Director	Directors' Sitting Fees	20,000	40,000
5	Mr. Rajinder Singh Panesar	Director	Directors' Sitting Fees	80,000	1,00,000
6	Mr. Sahithi Cherukupalli	Director	Directors' Sitting Fees	80,000	1,20,000
7	Mr. Vikram Mehta (representing Saregama India Limited)	Director	Director's Sitting Fees	80,000	1,20,000
8	Mr. Sumeet Chatterjee Mr. Shridhar Subramaniam (representing Sony Music Entertainment (I) Pvt. Ltd.	Director	Director's Sitting Fees	20,000	80,000
9	Mr. Mandar Thakur (representing M/s. Bennett Coleman & Company Ltd.	Director	Director's Sitting Fees	80,000	1,20,000
10	Mr Aditya Gupta M/s. Aditya Music (India) Pvt. Ltd.	Director	Director's Sitting Fees	20,000	-
11	Mr. Syed Ahmed	Director	Director's Sitting Fees	20,000	-
12	Mr. Vidya Sagar	Director	Director's Sitting Fees	20,000	-
13	Mr. Rakesh Nigam	Chief Executive Officer	Employee Remuneration & Benefits	1,34,12,788	1,13,91,756
14	Mrs. Sherley Singh Panesar	Director's wife	Professional Fees	6,00,000	4,50,000
15	Joshua Inc.	Company owned by Director's wife	Professional Fees	14,49,922	-

**NOTE NO. 23****CONTINGENT LIABILITIES**

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

- (i) ₹ 1,64,63,173/-, ₹ 2,98,43,011/-, ₹ 1,05,23,968/- and ₹ 3,44,65,955/- by way of Service Tax and related levies, as detailed in Note No. 21(iii).
- (ii) ₹ 31,47,14,432/-, by way of refund of License Fees, as detailed in Note No. 21(iv).

**NOTE NO. 24****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 24**

For and on behalf of the Board of Directors of  
The Indian Performing Right Society Limited

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

Sd/-  
**MOHAMMED OBAID ANSARI**  
Partner

(Membership No. 116304)

Place : Mumbai ;  
Date : 24th October, 2019

Sd/-  
**AASHISH REGO**  
Director

Sd/-  
**MANDAR THAKUR**  
Director

Sd/-  
**AHMED SYED**  
Director

Sd/-  
**SUSHILKUMAR AGRAWAL**  
Director

Sd/-  
**SAHITHI CHERUKUPALLI**  
Director

Sd/-

Sd/-  
**VIKRAM MEHRA**  
Director

Sd/-  
**ADITYA GUPTA**  
Director



## **The Indian Performing Right Society Limited**

208, Golden Chambers, 2<sup>nd</sup> Floor, New Andheri Link Road, Andheri (W), Mumbai - 400 053.

Tel : +91 22 2673 3748 / 49 / 50, 2673 6616 • Fax : +91 22 2673 6658

Email : [admin@iprsltd.com](mailto:admin@iprsltd.com)

Website : [www.iprs.org](http://www.iprs.org)

