



# A SUSTAINABLE MODEL FOR THE MUSIC INDUSTRY

ANNUAL REPORT 2019-2020

THE INDIAN PERFORMING RIGHT SOCIETY LIMITED



# MEMBERS OF THE Governing Council

(As at 24th November, 2020)



|                                   |  |
|-----------------------------------|--|
| <b>1 Mr. Javed Akhtar</b>         | Author Member, Chairman  |
| <b>2 Mr. Sahithi Cherukupalli</b> | Author Member  |
| <b>3 Mr. Sameer Pandey</b>        | Author Member  |
| <b>4 Mr. Mayur Puri</b>           | Author Member  |
| <b>5 Mr. U Vidya Sagar</b>        | Composer Member  |
| <b>6 Mr. Ahmed Syed</b>           | Composer Member  |
| <b>7 Mr. Vikram Mehra</b>         | Publisher Owner Member, Saregama India Limited                         |
| <b>8 Mr. Devraj Sanyal</b>        | Publisher Owner Member, Universal Music Publishing Pvt. Ltd.           |
| <b>9 Mr. Sumit Chatterjee</b>     | Publisher Owner Member, Sony Music Entertainment India Private Limited |
| <b>10 Mr. Aditya Gupta</b>        | Publisher Owner Member, Aditya Music (India) Pvt. Ltd.                 |
| <b>11 Mr. Sushilkumar Agrawal</b> | Publisher Owner Member, Ultra Media & Entertainment Private Limited    |
| <b>12 Mr. Mandar Thakur</b>       | Publisher Owner Member, Bennett Coleman & Company Limited              |

# Bankers



## Legal Counsels

Mr. Ameet Datta  
Mr. Himanshu Bagai  
Mr. Sandeep Marne  
Mr. Yogesh Nadkarni  
Mr. Raashid Zaffar

Mr. Suresh Poojary  
Mr. Sanjay Chadha  
Mr. Jay Kumar Bhardwaj  
Mr. Vikram Unni Rajagopal  
Mr. Phiroze Edulji

## 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

## Administrative Offices

### Southern

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Chennai – 600 017  
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5, Bhikaji Cama Place,  
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Tefax : 011 2610 1572  
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Diamond Chamber, 4,  
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Email: kolkattaoffice@iprsltd.com

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New Andheri Link Road,  
Andheri (West),  
Mumbai – 400 053  
Tel.: (022) 2673 3748 / 49 / 50  
Email : licencing@iprsltd.com

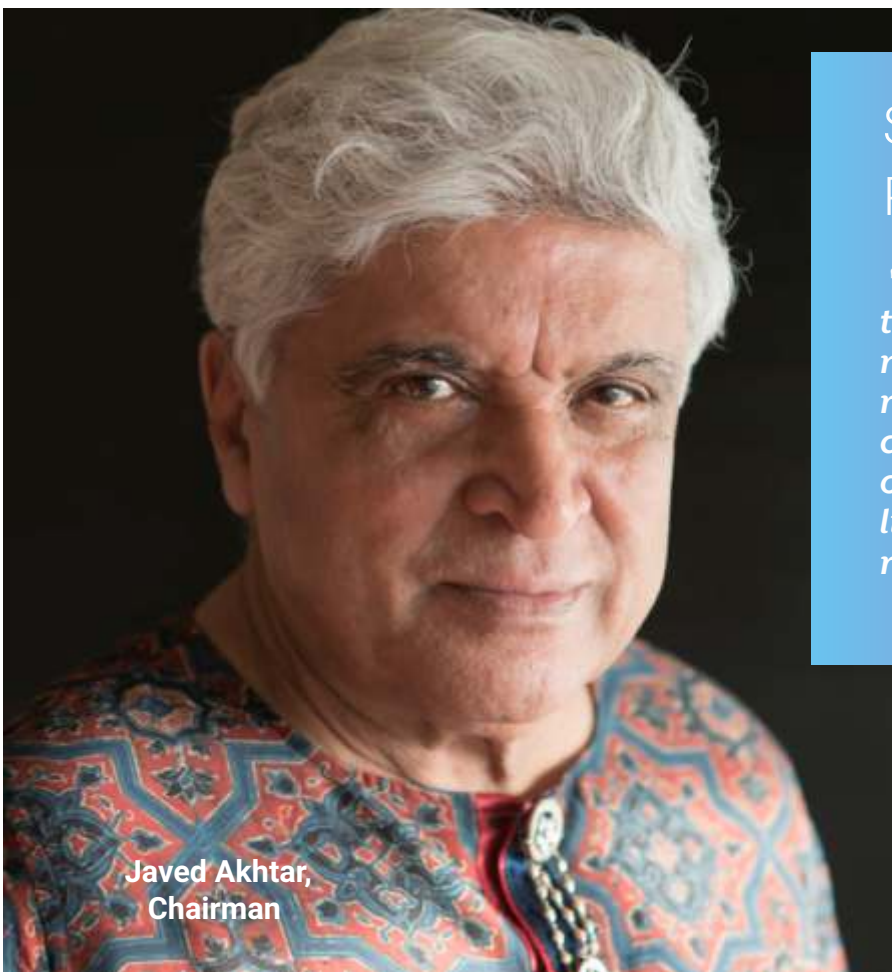
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## A SUSTAINABLE MODEL

# for the Music Industry



Javed Akhtar,  
Chairman

### SOLIDARITY, RESILIENCE, PARTNERSHIPS

*"Despite repeated attempts here and there to discredit it, the collective management model has proven reliable and effective in the COVID-19 crisis. IPRS is today the trusted partner of our licensees who, through a single license, can legally use all the musical repertoire of the world."*

*Music is the soundtrack to our lives. Music has emotional and economic value, and royalties are the salary and Provident Fund of music creators. It is why IPRS strives to ensure that there are strong copyright laws in place.*

Our founder members in 1969 built a model based on Equality and Solidarity. These values form the basis of our collective management model and give us strength and purpose. As a not-for-profit organization owned and managed by its members, IPRS is developing into India's most important cultural association and a leading Society in Asia.

In 2019-20, IPRS saw the highest ever collection of royalties in its history. Our Society, registered by the Government of India, has become the trusted partner of our licensees who, through a single license, can legally use all the musical repertoire of the world.

By the time this annual report is released, the COVID-19 pandemic has already had a devastating impact on all parts of the music value chain: our members, performers, music labels, recording studios, live concerts, technicians, dancers, film industry, hotels, restaurants, etc.

We distributed a record-breaking INR 1400 mn royalties to our members. We created an Emergency Aid Plan that helped 2900+ lyricists and composers in difficulty, either through aid or through substantial amount of royalty distribution. This plan has been extended in the current fiscal year. Additionally, we gave INR 1.2 mn medical benefits to members in distress.

Despite repeated attempts here and there to discredit it, our model has proven reliable and effective as we could alleviate the hardships that the COVID-19 crisis has inflicted on authors, composers, and their publishers.

These values—Solidarity, Resilience, Uniting all musical creators, Building partnerships with the companies that use our music—will continue to drive us as we shape a new future for the music industry.

# TOGETHER WE'RE BUILDING THE Music Industry of the Future

Rakesh Nigam (CEO)



## CREATORS OF MUSIC MUST BE FAIRLY PAID

*“IPRS role is today even more relevant since it provides stability and security to creators in these highly uncertain times. Despite the 2012 Copyright Act Amendments, the Indian market is still very distorted, with some acting honorably while others pursue their business in the legal gray zone. The last thing we want is to limit access to music, but the creators of this music must get fairly paid for their work.”*

***Music is an essential part of our life: it enriches our thought, deepens our emotions, and helps us know ourselves better. The degree of civilization of a society is measured by the freedom and the protection it grants to its artists. For over half a century, IPRS has been supporting the creators of music.***

Music is an essential part of our life: it enriches our thought, deepens our emotions, and helps us know ourselves better. The degree of civilization of a society is measured by the freedom and the protection it grants to its artists. For over half a century, IPRS has been supporting the creators of music.

IPRS is currently experiencing significant growth and is emerging as a powerhouse CMO (Collective Management Organisation) in the Asia region. But IPRS income has been impacted from February onwards. Live concerts and activities in the hotel industry, shops, and restaurants have come to a standstill. Despite the loss of income in the last quarter of the year (FY 2019-20), our revenue growth has been positive in most areas.

Royalty Distribution was not adversely affected even during the peak of the COVID lockdown period. IPRS fastened its distribution process and made online payments to members. We distributed INR 36.3 mn to author/composer members towards COVID relief.

Through our membership of the Paris-based International Confederation of Author-Composer Societies (CISAC) and our reciprocal agreements with sister Societies worldwide, we represent, protect and monetize their repertoire while they, in turn, do the same for our Indian repertoire. During the year, we have considerably increased the global reach of the Indian repertoire, which will lead to more overseas revenue in the future.



Through our agreements with Apple, Google & Spotify, we proved that we could reach the best possible licensing deal and give our customers a simple way of spreading as much good music as possible. We have also completed several other negotiations notably with Facebook, Hungama and Alt-Balaji. While International streaming services have taken a license from the Society, Hungama was the first Indian streaming service. Unfortunately, we have not seen any progress with the radio industry.

Despite the 2012 Copyright Act Amendments, the Indian market is still very distorted, with some acting honorably while others pursue their business in the legal gray zone. IPRS always tries to achieve a healthy competition, where platforms take responsibility for paying for the copyrighted music they use for their business. The last thing we want is to limit access to music, but the music creators must get fairly paid for their work.

Like all CMOs globally, IPRS is facing significant challenges following disruptive changes in the market. With the explosion of global user-generated content and interactive streaming services, the volume of data IPRS must process increases exponentially every year. To ensure it stays efficient and competitive, IPRS is making considerable investments in scalable IT systems having a high degree of automation.

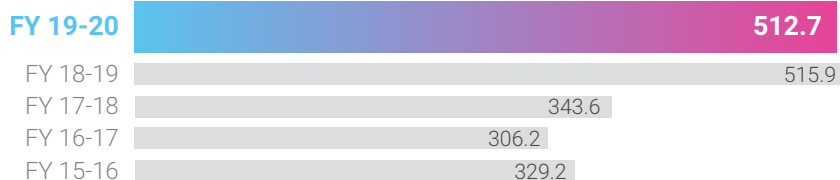
It is difficult to predict the COVID crisis's impact, but it will undoubtedly be very severe. IPRS will stay focused on its core business and ensure that payments are made on time. Our Society's role is now even more relevant since it provides stability and security to creators in these highly uncertain times.



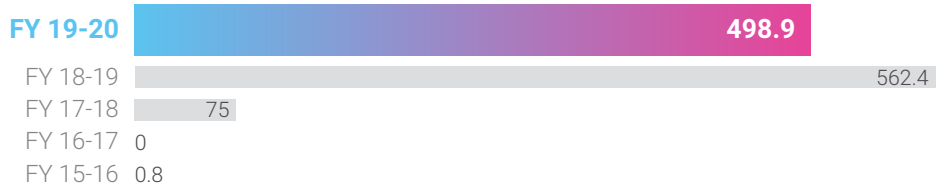
# INCOME Breakup

## Public Performance (live shows, hotels, restaurants, shops, etc.)

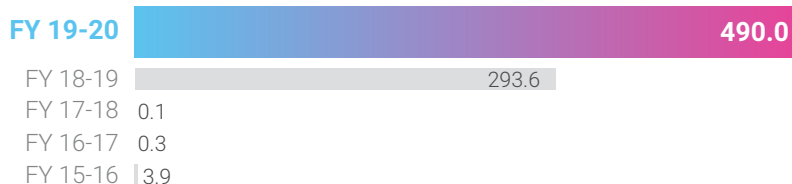
(Amount in INR mn.)



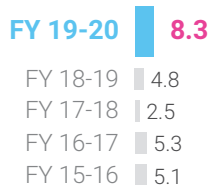
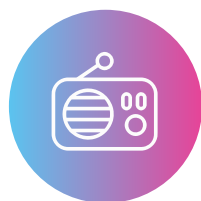
## Interactive (Streaming)



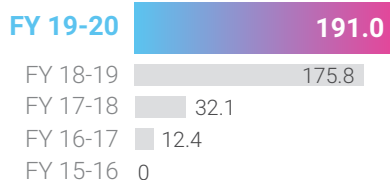
## TV Broadcasting



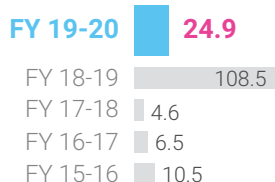
## Radio Broadcasting



## Synchronisation/Mechanical



## Foreign Societies



## TOTAL INCOME

**FY 19-20 1725.9**

FY 18-19 1661.0

FY 17-18 457.8

FY 16-17 330.7

FY 15-16 349.5

To  
The Members,

# Board's Report

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 31 March 2020.

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 authorized 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.

IPRS consolidated its business in FY 19-20 backed by growth in collection from Television Broadcasters and robust income generated from Streaming Platforms. On Television, the Company executed License agreements with some major broadcasters.

On Streaming Platforms, collections from Music Streaming / OTT services contributed significantly to the overall income. Your company was also able to demonstrate efficient capabilities in its first year of YouTube operations. This comprised of raising monthly claims, increasing revenue attribution and distributing the quarterly claims in a timely manner. The entire process needed setting up a dedicated team which could monetize the daily usage of music on the YouTube platform to the maximum extent.

The changing Income Mix of the Company can be seen from the fact that Television and Streaming Platforms contributed 57% to the Total Income earned in FY 19-20. This trend is bound to continue as the company seeks to expand its licensing net to cover OTT platforms and telecom operators.

On Royalty distribution, the Company saw a massive increase in payouts compared to the previous year. Overall Distribution during the year amounted to Rs.14015 Lacs compared to Rs.5238 Lacs in the previous year.



On the Technology front, the Company makes, and will continue to make, substantial investments to strengthen its IT capabilities. This technology initiative will vastly improve our power to process the exponential volume of data, running into hundreds of crores of lines, that we receive from the Digital Service Providers (DSPs) and other licensees.

Your company has launched an online Membership registration portal and an Online Licensing portal, both of which have gone a long way to make effective interaction between the users and IPRS.

IPRS is also implementing ISO 27001, which is the international standard for information security, to protect the information stored by IPRS from data breaches, malicious attacks, hacking, and such cyber threats.

During the COVID lockdown period, IPRS continued its distribution to members through Online Banking System. Further, the Company has extended support to its members through Relief Fund payment in order to tide over the monetary difficulties caused by the pandemic.

## 1 LICENSING ACTIVITIES:

The Gross Income from License Fees in FY 19-20 amounted to Rs. 17,258 Lacs compared to the previous year's Gross Income of Rs.16,610 Lacs resulting in a modest growth of 3.9%. However, this growth in income needs to be seen in the context of a robust income from Streaming Platforms, especially from YouTube. The first full-year revenue attribution on YouTube platform has created a strong base for incremental income to be achieved in subsequent years. The Net Royalties payable to members after deduction of Legal and Administration Expenses and before Exceptional Items stood at Rs.14,217 Lacs compared to Rs. 14,257 Lacs in the previous year.

During the year, the company redeemed Mutual Funds worth Rs.6,492 Lacs out of total Rs.7,017 Lacs which were provisionally attached by the Enforcement Directorate. This redemption was pursuant to the Order of the ED being set aside by the Appellate Tribunal, Prevention of Money Laundering Act and being confirmed by the Hon'ble High Court of Bombay vide its Order dated 2 April 2019, read with order of clarification dated 15 April 2019. Further, the balance amount of Rs. 525 Lacs was released by ED on 21 September 2020. The gains from redemption of the investments mentioned above, net of taxes and after deduction of Interest paid to Author/Composer Members, in terms of Order dated 22 July 2017 of the Appellate Tribunal, Prevention of Money Laundering Act, Mutual Funds is shown as 'Exceptional Items' in the Statement of Income and Expenditure.

During the year under review, the income from Public Performance was at Rs. 5,127 Lacs which was at par with previous year income of Rs. 5,159 Lacs. Income from Broadcast License increased to Rs. 4,983 Lacs, an increase of 67% over previous year Income of Rs. 2,984 Lacs. The Income from Streaming Platforms was at Rs. 4,989 Lacs compared to Rs.5,624 Lacs in the previous year. The income from the above sources contributed to 87% to the Total Income of IPRS in FY 19-20.

Besides the above sources of income, collections from Synchronisation Rs. 1889 Lacs (Previous Year Rs.1715 Lacs) and Income from Affiliated Societies Rs. 248 Lacs (Previous Year 1084 Lacs) contributed to the Total Income for the Year. It must be noted that the income of the previous year from Affiliated Societies was a consolidated income of previously unpaid royalties after our readmission into the CISAC network.

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 affiliated societies and its distribution to the members after setting off the interest/financial income from its expenses; this "period" is the time required by the Company to process all usage reports and calculating the royalties payable to each member.

## 2 INTERNATIONAL RELATIONS:

The Company is constantly engaged in improving its International Relations with various Sister Societies. The readmission to CISAC membership has enabled the Company to receive global payments from overseas societies. During the year, the company concluded new unilateral or reciprocal agreements for Performing Rights and for Mechanical Rights with various overseas societies. Members will find at the end of this Report the detailed list of countries where their repertoire is represented.

**3**

## ADMINISTRATION:

### A. Royalty Distribution

The Company distributed gross royalties to the tune of Rs. 14015 Lacs (previous year Rs. 5238 Lacs) to its members including Rs. 1054 Lacs to International Societies during the financial year under review. Members were paid royalties according to the Distribution Scheme for the logged and unlogged Works as approved in the AGM.

### B. Documentation

Across the world, the biggest challenge to collection and distribution of royalties is the incorrect, incomplete and faulty data that Copyright Societies receive from the members/users. Many times the title of the song, the name of the artist or the names of the lyricist and composers are missing, or misspelled, or simply wrong! These errors not only slow down our work but also increase our processing costs! Over the last two years, your Company has ensured that the IPRS database is authoritative, and that Works are checked before being ingested in the system. Introduction of new technology, recruitment and training of additional staff was key to our success. Training was imparted not only to internal staff but several seminars on New Works registration were organized for the benefit of members to improve our ability to collect every penny from the licensees. Members were reminded that royalty can only be collected if their Works are correctly registered with the Society. IPRS created automated toll gates and initiated works collection drives across the country. As a result, there has been a substantial increase in the registration of new members and in the number of Works registered.

Nevertheless, there are still members who have not iled their respective Works details (songs and/or background music) with the Company, which causes great difficulties and unnecessary expenses to the Company when processing usage reports from licensees. Once again, we take this opportunity to remind all members that no royalties can be claimed by the Company for unregistered Works. No registration = no money.

### C. Licensing

As the Covid situation gradually improves, the Company is striving hard to restart its collection from Live Performances. We request members to cooperate with the Company by ensuring that an IPRS license has been obtained by the organizer whenever they take part in any Live Performance. Only when organizers take a license from the Company will the lyricists and the composers of the songs that are performed will be paid. If all of us follow this principle of not attending any concert that does not have an IPRS license, no concert can be successful. Another very important point: we request our members to provide the list of the songs (the set list) performed at every concert so that the right members are paid. We must stand and work united.

**4**

## 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.

**5**

## REVISION OF FINANCIAL STATEMENT:

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

## 6. PARTICULARS OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES:

During the financial year 2019-20, 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.

## 7. PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS AND SECURITIES:

During the financial year 2019-2020, your Society 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.

## 8. MATTERS RELATED TO DIRECTORS AND KEY MANAGERIAL PERSONNEL:

### A. Appointment of Directors

Mr. Aashish Dominic Rego (DIN: 01467041) and Mr. Rajinder Singh Panesar (DIN: 00756149), Directors who retired by rotation at the 49th Annual General Meeting of the Company held on 23 December 2019, did not opt for reappointment and, accordingly, vacated their respective office. The Board places on record deep sense of appreciation for the invaluable services rendered by Mr. Aashish Dominic Rego and Mr. Rajinder Singh Panesar during their respective tenure as Director of the Company.

As per the provisions of Sections 152 and 160 and other applicable provisions, 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 Directors were elected at the Forty-Ninth Annual General Meeting held on 23 December 2019.

| Name of Director  | DIN No   | Category   | Region |
|-------------------|----------|--|--------|
| Mr. Sameer Pandey | 01515751 | Author-Composer Director   | North  |
| Mr. Mayur Puri    | 02409730 | Author-Composer Director   | West   |
| Mr. Devraj Sanyal | 03533598 | Publisher-Owner Director representing Universal Music Publishing Private Limited | West   |

### B. Retirement of Directors by Rotation

As per the provisions of Section 152 of the Companies Act, 2013, Mr. U. Vidyasagar (DIN 08304251) and Mr. Syed Ahmed (DIN 08298783), Author-Composer Directors and Mr. Sumit Chatterjee (DIN 02269713) and Mr. Aditya Gupta (DIN 02815692), Publisher-Owner Directors, are liable to retire by rotation at the ensuing Fiftieth Annual General Meeting and being eligible, the said Directors have offered themselves for reappointment. Accordingly, the members are requested to consider their reappointment at the ensuing Annual General Meeting.

### A. Board of Directors (Governing Councils) Meetings

The Board of Directors (Governing Council) held 5 (Five) meetings during the financial year ended 31st March 2020 in accordance with the provisions of the Companies Act, 2013 and Rules made there under on the following dates:

| Sr. No. | Date of General Council Meeting |
|---------|---------------------------------|
| 1       | 20th June, 2019                 |
| 2       | 30th September, 2019            |
| 3       | 24th October, 2019              |
| 4       | 10th December, 2019             |
| 5       | 20th March, 2020                |

### 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 31 March 2020, the Board of Directors hereby confirms that:

- In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 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 31 March 2020 and of the Income and Expenditure for the year ended on that date;
- 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;
- The annual accounts of the Company have been prepared on a going concern basis;
- 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 processes, 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.

## 10 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 2020:

The observations made by the Statutory Auditors in their report for the financial year ended 31 March 2020 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.

## 11 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 Report

Pursuant to the provisions of Section 134(3)(a) of the Companies Act, 2013, extract of the Annual Return for the financial year ended 31 March 2020 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 Earnings and Outgo:

|                                  | 1 April 2019 to 31 March 2020 [Current FY]<br>(Rs. In Lacs) | 1 April 2018 to 31 March 2019 [Previous FY]<br>(Rs. In Lacs) |
|----------------------------------|---|--|
| Actual Foreign Exchange earnings | 4802.80   | 6260.89  |
| Actual Foreign Exchange outgo    | 1168.33   | 418.74   |



### **C. Disclosure related to prevention of sexual harassment of women at the 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 the workplace has been reported to Company during FY. 2019-20.

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 FY. 2019-20:

- 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. 2019-20.
- 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



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/-  
JAVED AKHTAR  
CHAIRMAN**

DIN : 00112984

Date : 24<sup>th</sup> November, 2020

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



# Extract of Annual Return - Form MGT-9

As on financial year ended on 31st March 2020

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

## 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<br>Tel: 2673 3748/49/50/6616 Fax: 26736658.<br>Email: accounts@iprsltd.com |
| Whether listed company   | : | No   |
| Name, Address and Contact details of Registrar and Transfer Agent, if any: | : | -  |

## II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

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

## III \*PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

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

\* Not applicable.



## \*SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

### i. Category-wise Share Holding as on 31st March, 2020:

| 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>                                       |   |          |       |                   |   |          |       |                   |                          |
| <b>(1) Indian</b>   |   |          |       |                   |   |          |       |                   |                          |
| a) Individual/HUF   | -   | -        | -     | -                 | -   | -        | -     | -                 | -                        |
| b) Central Govt   | -   | -        | -     | -                 | -   | -        | -     | -                 | -                        |
| c) State Govt(s)  | -   | -        | -     | -                 | -   | -        | -     | -                 | -                        |
| d) Bodies Corp.   | -   | -        | -     | -                 | -   | -        | -     | -                 | -                        |
| e) Banks / FI   | -   | -        | -     | -                 | -   | -        | -     | -                 | -                        |
| f) Any other  | -   | -        | -     | -                 | -   | -        | -     | -                 | -                        |
| <b>Sub-total(A)(1):</b>                                   | -   | -        | -     | -                 | -   | -        | -     | -                 | -                        |
| <b>(2) Foreign</b>  |   |          |       |                   |   |          |       |                   |                          |
| a) NRIs – Individuals                                     | -   | -        | -     | -                 | -   | -        | -     | -                 | -                        |
| b) Other – Individuals                                    | -   | -        | -     | -                 | -   | -        | -     | -                 | -                        |
| c) Bodies Corp.   | -   | -        | -     | -                 | -   | -        | -     | -                 | -                        |
| d) Banks / FI   | -   | -        | -     | -                 | -   | -        | -     | -                 | -                        |
| e) Any other  | -   | -        | -     | -                 | -   | -        | -     | -                 | -                        |
| <b>Sub-total (A)(2):</b>                                  | -   | -        | -     | -                 | -   | -        | -     | -                 | -                        |
| <b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b> |   |          |       |                   |   |          |       |                   |                          |
| <b>B. PUBLIC SHAREHOLDING</b>                             |   |          |       |                   |   |          |       |                   |                          |
| <b>(1) Institutions</b>                                   |   |          |       |                   |   |          |       |                   |                          |
| 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)                                       | -   | -        | -     | -                 | -   | -        | -     | -                 | -                        |
| <b>Sub-total (B)(1):</b>                                  | -   | -        | -     | -                 | -   | -        | -     | -                 | -                        |
| <b>(2) Non-Institutions</b>                               |   |          |       |                   |   |          |       |                   |                          |
| 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  | - | - | - | - | - | - | - | - | - |
| <b>Sub-total(B)(2):</b>   | - | - | - | - | - | - | - | - | - |
| <b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>                              | - | - | - | - | - | - | - | - | - |
| <b>C. SHARES HELD BY CUSTODIAN FOR GDRS &amp; ADRS</b>                          | - | - | - | - | - | - | - | - | - |
| <b>Grand Total (A+B+C)</b>  | - | - | - | - | - | - | - | - | - |

## 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:

| Sl. No. | Shareholder's Name | 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):**

| Sl. No. | For Each of the Top 10 Shareholders Name, Date & Reason of change | Shareholding at the beginning of the year (01-04-2019) |                                  | 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 (01-04-2019) |                                  | 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.



**INDEBTEDNESS:**

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

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



**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) Proits 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   |   |   |   |   |
|   | <b>Total (A)</b>   | - | - | - | - |
|   | Ceiling as per the Act   |   |   |   |   |

## B. COMPENSATION/FEEES TO OTHER DIRECTORS:

| Sr. No                | Particulars of Compensation/Fees           | Name of Directors   | Total Amount (in Rs. Lacs) |
|-----------------------|--|---|----------------------------|
| 1. Board of Directors |  |   |                            |
|                       | Fee for attending General Council Meetings | MR. JAVED AKHTAR  | 0.60                       |
|                       |  | MR. AASHISH REGO  | 0.80                       |
|                       |  | MR. RAJINDER SINGH PANESAR  | 0.60                       |
|                       |  | MR. SAHITHI CHERUKUPALLI  | 0.80                       |
|                       |  | MR. SYED AHMED  | 1.00                       |
|                       |  | MR. VIDYA SAGAR   | 0.20                       |
|                       |  | MR. MAYUR PURI  | 0.20                       |
|                       |  | SAREGAMA INDIA LIMITED REPRESENTED BY MR. VIKRAM MEHRA                        | 0.80                       |
|                       |  | SONY MUSIC ENTERTAINMENT (I) PVT. LTD. REPRESENTED BY MR. SUMIT CHATTERJEE    | 0.60                       |
|                       |  | BENNETT COLEMAN & COMPANY LTD. REPRESENTED BY MR. MANDAR THAKUR               | 1.00                       |
|                       |  | ADITYA MUSIC (INDIA) PVT. LTD. REPRESENTED BY MR. ADITYA GUPTA                | 0.80                       |
|                       |  | UNIVERSAL MUSIC INDIA LIMITED REPRESENTED BY MR. DEVRAJ SUGATA SANYAL         | 0.20                       |
|                       |  | ULTRA MEDIA & ENTERTAINMENT PVT. LTD. REPRESENTED BY MR. SUSHIL KUMAR AGRAWAL | 0.80                       |
|                       | Total Directors Fees                       |   | 8.40                       |
|                       | Overall ceiling as per the Act             | Not Applicable since the Company is "Not for Profit organization".            |                            |

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

| Sr. No | Particulars of Remuneration   | Key Managerial Personnel | 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) Profts 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   |   |   |   |
|   | <b>Total</b>   | - | - | - |

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



## 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                             |                              |                   |   |                             |                                    |
| Punishment                          |                              |                   | NIL   |                             |                                    |
| Compounding                         |                              |                   |   |                             |                                    |
| <b>B. DIRECTORS</b>                 |                              |                   |   |                             |                                    |
| Penalty                             |                              |                   |   |                             |                                    |
| Punishment                          |                              |                   | NIL   |                             |                                    |
| Compounding                         |                              |                   |   |                             |                                    |
| <b>C. OTHER OFFICERS IN DEFAULT</b> |                              |                   |   |                             |                                    |
| Penalty                             |                              |                   |   |                             |                                    |
| Punishment                          |                              |                   | NIL   |                             |                                    |
| Compounding                         |                              |                   |   |                             |                                    |

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

**Sd/-**  
**JAVED AKHTAR**  
**CHAIRMAN**  
DIN : 00112984

Date : 24<sup>th</sup> November, 2020  
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



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

2019 - 2020 ( 01.04.2019 to 31.03.2020)

|   | Total No. of Meetings | Meetings At-tended | Leave of absence applied / granted | Absent |
|---|-----------------------|--------------------|------------------------------------|--------|
| Mr. Javed Akhtar                              | 5                     | 3                  | 2                                  | N/A    |
| Mr. Rajinder Singh Panesar                    | 4                     | 3                  | 1                                  | N/A    |
| Mr. Aashish Rego                              | 4                     | 4                  | N/A                                | N/A    |
| Mr. Sahithi Cherukupalli                      | 5                     | 4                  | 1                                  | N/A    |
| Mr. Ahmed Syed                                | 5                     | 5                  | N/A                                | N/A    |
| Mr. U. Vidya Sagar                            | 5                     | 1                  | 4                                  | N/A    |
| Mr. Mayur Puri                                | 1                     | 1                  | N/A                                | N/A    |
| Mr. Sameer Pandey                             | 1                     | -                  | 1                                  | N/A    |
| M/s. Saregama India Ltd.                      | 5                     | 4                  | 1                                  | N/A    |
| M/s. Sony Music Entertainment India Pvt. Ltd. | 5                     | 3                  | 2                                  | N/A    |
| M/s. Bennett Coleman & Co. Ltd.               | 5                     | 5                  | N/A                                | N/A    |
| M/s. Ultra Media & Entertainment Pvt. Ltd.    | 5                     | 4                  | 1                                  | N/A    |
| M/s. Aditya Music (India) Pvt. Ltd.           | 5                     | 4                  | 1                                  | N/A    |
| M/s. Universal Music Publishing Pvt. Ltd.     | 1                     | 1                  | N/A                                | N/A    |



# Independent Auditor's 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, 2020, 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, 2020, 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) Welfare Fund: We draw attention to Note no. 5 of the financial statements, which clarifies that Royalties to Members Rs. 2,25,62,06,249 includes Rs. 1,60,53,647 earmarked as "Welfare Fund", in the terms of Rule 67 of the Copyright Rules 2013, for implementing the "Welfare Scheme" framed for the welfare of the Members, as determined by the General Body of the Company.

Our opinion is not modified in respect of this matter.


(b) Exceptional Items: We draw attention to Note No. 19 of the financial statements, which explains the nature of Profit on Maturity/Redemption of Mutual Funds Rs. 28,75,91,908, Income from Mutual Funds Rs. 4,39,71,089 and Interest recovered from Directorate of Enforcement Rs 1,09,32,577 as well as Interest on delayed payments of Royalties Rs. 6,26,47,476, which are disclosed as Exceptional Items.

Our opinion is not modified in respect of this matter.

(c) Administrative Expenses: We draw attention to Note No. 21 of the financial statements, which affirms that the Administrative Expenses incurred by the Company during the year are within the limit prescribed under Rule 55 of the Copyright Rules, 2013.

Our opinion is not modified in respect of this matter.





(d) Effects of Legal Matters: We draw attention to Note No. 23 of the financial statements, which describes the effects of Legal Matters.

Our opinion is not modified in respect of this matter.

## **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.

The Board of Directors is 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 2020 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March 2020 from being appointed as a Director in terms of Section 164 (2) of the Act;

(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. 23 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)

UDIN : 20116304AAAAHO6737

Place : Mumbai;

Date : 24th November, 2020



# Annexure A TO THE INDEPENDENT AUDITORS' REPORT

## Statement on matters specified in the paragraph 3 & 4 of the Companies (Auditor's Report) Order, 2016

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

| Nature of Dues                     | Amount in Rs. | Period to which amount relates | Forums where dispute is pending     |
|------------------------------------|---------------|--------------------------------|-------------------------------------|
| Service Tax and Penalties          | 3,29,52,346   | 16/06/2005 to 31/03/2010       | Supreme Court                       |
| Service Tax, Penalty and 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 |
| Service Tax                        | 47,26,895     | 01/04/2017 to 30/06/2017       | 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 inancial 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 Regn. No.105082W)*

Sd/-

**MOHAMMED OBAID ANSARI**  
**Partner**

(Membership No.116304)

UDIN : 20116304AAAAHO6737

Place : Mumbai;

Date : 24th November, 2020





# 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 2020 in conjunction with the audit of the financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditors' Responsibility

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

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

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

### Meaning of Internal Financial Controls over Financial Reporting

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

## **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion, the Company have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2020, 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 Regn. No.105082W)*

Sd/-

### **MOHAMMED OBAID ANSARI**

**Partner**

(Membership No.116304)

UDIN : 20116304AAAAHO6737

Place : Mumbai;

Date : 24th November, 2020





# Balance Sheet

as at 31st March 2020

|   | Note No. | 31st March 2020 |                       | 31st March 2019 |                       |
|---|----------|-----------------|-----------------------|-----------------|-----------------------|
|   |          | 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        |                       |
|   |          |                 | 22,29,080             |                 | 27,54,682             |
| <b>Current Liabilities</b>              |          |                 |                       |                 |                       |
| Royalties to Members                    | 5        | 2,26,77,03,229  |                       | 1,92,39,08,635  |                       |
| Other Current Liabilities               | 6        | 8,18,44,527     |                       | 3,49,18,591     |                       |
| Short Term Provision                    | 7        | 4,39,84,320     |                       | 2,34,66,949     |                       |
|   |          |                 | 2,39,35,32,076        |                 | 1,98,22,94,175        |
|   |          |                 | <b>2,39,57,61,156</b> |                 | <b>1,98,50,48,857</b> |
| <b>ASSETS</b>                           |          |                 |                       |                 |                       |
| <b>Non-Current Assets</b>               |          |                 |                       |                 |                       |
| Property, Plant & Equipment             |          |                 |                       |                 |                       |
| Tangible Assets                         | 8        | 4,09,40,590     |                       | 3,74,87,688     |                       |
| Intangible Assets                       | 9        | 1,60,82,880     |                       | 73,08,140       |                       |
| Less: Funded out of Royalties Collected |          | (5,70,23,470)   |                       | (4,47,95,828)   |                       |
|   |          |                 | -                     |                 | -                     |
| Long Term Loans and Advances            | 10       |                 | 69,60,609             |                 | 66,99,272             |
| <b>Current Assets</b>                   |          |                 |                       |                 |                       |
| Current Investments                     | 11       | 1,25,29,50,629  |                       | 70,17,00,483    |                       |
| Trade Receivable                        | 12       | 2,09,10,065     |                       | 51,28,03,873    |                       |
| Cash and Cash-Equivalents               | 13       | 78,11,17,042    |                       | 60,49,16,973    |                       |
| Short Term Loans and Advances           | 14       | 9,44,883        |                       | 11,36,759       |                       |
| Other Current Assets                    | 15       | 33,28,77,928    |                       | 15,77,91,497    |                       |
|   |          |                 | 2,38,88,00,547        |                 | 1,97,83,49,585        |
|   |          |                 | <b>2,39,57,61,156</b> |                 | <b>1,98,50,48,857</b> |

### Notes 1 to 27 form an integral part of these Financial Statements

Per our report of even date attached to the Financial Statement

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

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

Place : Mumbai;  
Date : 24th November, 2020

**For and on behalf of the Board of Directors of  
THE INDIAN PERFORMING RIGHT SOCIETY LIMITED**

Sd/-  
**JAVED AKHTAR**  
Chairman

Sd/-  
**VIKRAM MEHRA**  
Director

Sd/-  
**AHMED SYED**  
Director

Sd/-  
**SUMIT CHATTERJEE**  
Director

Sd/-  
**MANDAR THAKUR**  
Director

Sd/-  
**SUSHIL KUMAR AGRAWAL**  
Director

Sd/-  
**MAYUR PURI**  
Director

Sd/-  
**SAHITHI CHERUKUPALLI**  
Director

Sd/-  
**SAMEER PANDEY**  
Director

Sd/-  
**ADITYA GUPTA**  
Director

# Statement of Income and Expenditure

for the Year Ended 31st March 2020

|   | Note No. | 2019-20 |                       | 2018-19 |                       |
|---|----------|---------|-----------------------|---------|-----------------------|
|   |          | Rupees  | Rupees                | Rupees  | Rupees                |
| <b>LICENSE FEES</b>                     | 16       |         | <b>1,72,58,97,574</b> |         | <b>1,66,10,42,887</b> |
| <b>EXPENSES</b>                         |          |         |                       |         |                       |
| Employee Benefits Expenses              | 17       |         | 14,88,82,578          |         | 9,08,77,527           |
| Other Expenses                          | 18       |         | 15,52,62,224          |         | 14,43,90,765          |
| <b>Total Expenses</b>                   |          |         | <b>30,41,44,802</b>   |         | <b>23,52,68,292</b>   |
| <b>Net Royalties Payable to Members</b> |          |         |                       |         |                       |
| <b>before Exceptional Items</b>         |          |         | <b>1,42,17,52,772</b> |         | <b>1,42,57,74,595</b> |
| Exceptional Items                       | 19       |         | 27,48,52,168          |         | -                     |
| <b>Royalties Payable to Members</b>     |          |         | <b>1,69,66,04,940</b> |         | <b>1,42,57,74,595</b> |
| <b>BALANCE</b>                          |          |         | <b>NIL</b>            |         | <b>NIL</b>            |

**Notes 1 to 27 form an integral part of these Financial Statements**

Per our report of even date attached to the Financial Statement

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

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

Place : Mumbai;  
Date : 24th November, 2020

**For and on behalf of the Board of Directors of  
THE INDIAN PERFORMING RIGHT SOCIETY LIMITED**

Sd/-  
**JAVED AKHTAR**  
Chairman

Sd/-  
**VIKRAM MEHRA**  
Director

Sd/-  
**AHMED SYED**  
Director

Sd/-  
**SUMIT CHATTERJEE**  
Director

Sd/-  
**MANDAR THAKUR**  
Director

Sd/-  
**SUSHIL KUMAR AGRAWAL**  
Director

Sd/-  
**MAYUR PURI**  
Director

Sd/-  
**SAHITHI CHERUKUPALLI**  
Director

Sd/-  
**SAMEER PANDEY**  
Director

Sd/-  
**ADITYA GUPTA**  
Director

# Cash Flow Statement

for the Year Ended 31st March 2020

|  | 2019-20               | 2018-19             |
|--|-----------------------|---------------------|
|  | Amount (Rupees)       | Amount (Rupees)     |
| <b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>                         |                       |                     |
| License Fees Received  | 1,72,58,97,574        | 1,66,10,42,887      |
| Royalties Paid   | (1,40,15,64,552)      | (52,38,27,221)      |
| Royalties used for financing of Property, Plant and Equipment          | (1,26,43,999)         | (56,19,758)         |
| Refund of Licence Fees to TV Today Network Ltd.                        | -                     | (3,84,15,601)       |
| Medical Assistance given to Members                                    | (12,49,271)           | (4,58,714)          |
| Security Deposit paid  | (2,61,337)            | (34,64,580)         |
| (Increase) / Decrease in Short Term Loan & Advances                    | 1,91,876              | 4,571               |
| (Increase) / Decrease in Other Current Assets                          | (17,50,86,431)        | (6,32,11,691)       |
| (Increase) / Decrease in Trade Receivable                              | 49,18,93,808          | (51,28,03,873)      |
| Increase / (Decrease) in Other Current Liabilities                     | 6,74,43,307           | 1,09,77,961         |
| Payment of Enhance liabilities to Employees Group Gratuity Scheme      | -                     | (87,73,446)         |
| Payment to Employees and Administration Expenses                       | (37,93,96,192)        | (25,59,74,231)      |
| Interest on Income Tax Refund  | 14,67,428             | -                   |
| <b>Net Cash from Operating Activities (A)</b>                          | <b>31,66,92,212</b>   | <b>25,94,76,304</b> |
| <b>(B) CASH FLOW FROM INVESTING ACTIVITY</b>                           |                       |                     |
| Interest Received on Investments                                       | 6,82,62,430           | 1,98,58,650         |
| Profit on Maturity/ Redemption of Mutual Funds                         | 28,75,91,908          | -                   |
| Income from Mutual Funds   | 4,39,71,089           | -                   |
| Interest recovered from Directorate of Enforcement                     | 1,09,32,577           | -                   |
| (Increase) / Decrease in Current Investments                           | (55,12,50,146)        | 14,90,451           |
| <b>Net Cash used in Investing Activities (B)</b>                       | <b>(14,04,92,142)</b> | <b>2,13,49,102</b>  |
| <b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>                         |                       |                     |
| <b>Net Cash used from Financing Activities (C)</b>                     | <b>-</b>              | <b>-</b>            |
| <b>Net Increase / (Decrease) in Cash &amp; Cash Equivalent (A+B+C)</b> | <b>17,62,00,070</b>   | 28,08,25,406        |
| Opening Balance of Cash and Cash Equivalent                            | 60,49,16,973          | 32,40,91,567        |
| <b>Closing Balance of Cash and Cash Equivalent</b>                     | <b>78,11,17,042</b>   | <b>60,49,16,973</b> |

## Notes 1 to 27 form an integral part of these Financial Statements

Per our report of even date attached to the Financial Statement

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

**Chartered Accountants**

(Firm Regn. No.105082W)

Sd/-

**MOHAMMED OBAID ANSARI**

**Partner**

(Membership No.116304)

Place : Mumbai;

Date : 24th November, 2020

**For and on behalf of the Board of Directors of  
THE INDIAN PERFORMING RIGHT SOCIETY LIMITED**

Sd/-  
**JAVED AKHTAR**  
Chairman

Sd/-  
**VIKRAM MEHRA**  
Director

Sd/-  
**AHMED SYED**  
Director

Sd/-  
**SUMIT CHATTERJEE**  
Director

Sd/-  
**MANDAR THAKUR**  
Director

Sd/-  
**SUSHIL KUMAR AGRAWAL**  
Director

Sd/-  
**MAYUR PURI**  
Director

Sd/-  
**SAHITHI CHERUKUPALLI**  
Director

Sd/-  
**SAMEER PANDEY**  
Director

Sd/-  
**ADITYA GUPTA**  
Director

# Significant Accounting Policies and Notes on Accounts Forming an Integral Part of Financial Statements

for the Year Ended 31st March 2020

## 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 Rs.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 from Publishers towards the share of license fees of the Authors and composers, 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.

| 31st March 2020 | 31st March 2019 |
|-----------------|-----------------|
| Rupees          | Rupees          |

### NOTE NO. 3 LONG TERM LIABILITIES

|                   |           |           |
|-------------------|-----------|-----------|
| Advances Received | 22,29,080 | 22,29,080 |
|-------------------|-----------|-----------|

| 31st March 2020 | 31st March 2019 |
|-----------------|-----------------|
| Rupees          | Rupees          |

### NOTE NO. 4 LONG TERM PROVISIONS

|                                 |   |          |
|---------------------------------|---|----------|
| Provision for Employee Benefits | - | 5,25,602 |
|---------------------------------|---|----------|

| 31st March 2020 | 31st March 2019 |
|-----------------|-----------------|
| Rupees          | Rupees          |

### NOTE NO. 5 ROYALTIES TO MEMBERS

|                        |                |                |
|------------------------|----------------|----------------|
| Royalties to Members # | 2,26,77,03,229 | 1,92,39,08,635 |
|------------------------|----------------|----------------|

# Royalties to Members as above includes Rs. 1,60,53,647 (Last Year: Rs. 96,67,571) earmarked as "Welfare Fund", in terms of Rule 67 of the Copyright Rules, 2013, for implementing the "Welfare Scheme" framed for the welfare of the Members, as determined by the General Body of the Company.

| 31st March 2020 | 31st March 2019 |
|-----------------|-----------------|
| Rupees          | Rupees          |

### NOTE NO. 6 OTHER CURRENT LIABILITIES

|                                |                    |                    |
|--------------------------------|--------------------|--------------------|
| Sundry Creditors               | 1,72,83,251        | 1,10,06,608        |
| Advance from Customers         | 3,32,88,351        | 8,36,505           |
| Goods & Service Tax Payable    | -                  | 13,75,629          |
| Tax Deducted at Source Payable | 3,12,72,925        | 2,16,99,850        |
|                                | <b>8,18,44,527</b> | <b>3,49,18,592</b> |

| 31st March 2020 | 31st March 2019 |
|-----------------|-----------------|
| Rupees          | Rupees          |

### NOTE NO. 7 SHORT TERM PROVISION

|                                 |                    |                    |
|---------------------------------|--------------------|--------------------|
| Provision for Income tax        | 3,74,84,621        | 1,91,30,748        |
| Provision for Employee Benefits | 64,99,699          | 43,36,201          |
|                                 | <b>4,39,84,320</b> | <b>2,34,66,949</b> |

**NOTE NO. 8**
**TANGIBLE ASSETS**

| Description of Assets   | Rate of Depreciation | COST               |                           |                          |                    | DEPRECIATION/ AMORTIZATION |                 |             |                    | NET VALUE          |                    |
|-------------------------|----------------------|--------------------|---------------------------|--------------------------|--------------------|----------------------------|-----------------|-------------|--------------------|--------------------|--------------------|
|                         |                      | As at 01-4-2019    | Additions during the year | Deletion during the year | As at 31-3-2020    | As at 01-4-2019            | During the year | Adjustments | As at 31-3-2020    | As at 31-3-2020    | As at 31-3-2019    |
|                         | %                    | Rupees             | Rupees                    | Rupees                   | Rupees             | Rupees                     | Rupees          | Rupees      | Rupees             | Rupees             | Rupees             |
| Office Premises         | 5.00                 | 2,85,92,714        | -                         | -                        | 2,85,92,714        | 73,36,181                  | -               | -           | 73,36,181          | 2,12,56,533        | 2,12,56,533        |
| Electrical Fittings     | 13.91                | 9,43,354           | -                         | -                        | 9,43,354           | 5,00,599                   | -               | -           | 5,00,599           | 4,42,755           | 4,42,755           |
| Furniture & Fixtures    | 18.10                | 41,46,690          | 1,33,750                  | 39,713                   | 42,40,727          | 17,07,161                  | -               | -           | 17,07,161          | 25,33,566          | 24,39,529          |
| Air Conditioners        | 13.91                | 3,92,948           | 98,438                    | -                        | 4,91,386           | 84,823                     | -               | -           | 84,823             | 4,06,563           | 3,08,125           |
| Computers               | 40.00                | 1,07,54,326        | 29,48,666                 | 4,02,916                 | 1,33,00,076        | 4,86,277                   | -               | -           | 4,86,277           | 1,28,13,799        | 1,02,68,049        |
| Office Equipments       | 13.91                | 25,98,954          | 7,14,677                  | -                        | 33,13,631          | 3,07,847                   | -               | -           | 3,07,847           | 30,05,784          | 22,91,107          |
| EPABX                   | 13.91                | 4,81,590           | -                         | -                        | 4,81,590           | -                          | -               | -           | -                  | 4,81,590           | 4,81,590           |
|                         |                      | <b>4,79,10,577</b> | <b>38,95,531</b>          | <b>4,42,629</b>          | <b>5,13,63,478</b> | <b>1,04,22,889</b>         | -               | -           | <b>1,04,22,889</b> | <b>4,09,40,590</b> | <b>3,74,87,688</b> |
| Previous Year's Figures |                      | 4,41,79,398        | 46,64,497                 | 9,33,318                 | 4,79,10,577        | 1,04,27,403                | -               | 4,514       | 1,04,22,889        | 3,74,87,688        | 3,37,51,995        |

This Note discloses details of tangible Assets held by the Company, notwithstanding that the cost of these Assets to the Company is 'Nil', in terms of Note No. 2.4, 2.5 & 2.6 above.

**NOTE NO. 9**
**INTANGIBLE ASSETS**

| Description of Assets   | Rate of Depreciation | COST               |                           |                          |                    | DEPRECIATION/ AMORTIZATION |                 |             |                  | NET VALUE          |                  |
|-------------------------|----------------------|--------------------|---------------------------|--------------------------|--------------------|----------------------------|-----------------|-------------|------------------|--------------------|------------------|
|                         |                      | As at 01-4-2019    | Additions during the year | Deletion during the year | As at 31-3-2020    | As at 01-4-2019            | During the year | Adjustments | As at 31-3-2020  | As at 31-3-2020    | As at 31-3-2019  |
|                         | %                    | Rupees             | Rupees                    | Rupees                   | Rupees             | Rupees                     | Rupees          | Rupees      | Rupees           | Rupees             | Rupees           |
| <b>Software</b>         | <b>40.00</b>         | 1,03,13,342        | 87,74,740                 | -                        | 1,90,88,082        | 30,05,202                  | -               | -           | 30,05,202        | 1,60,82,880        | 73,08,140        |
|                         |                      | <b>1,03,13,342</b> | <b>87,74,740</b>          | -                        | <b>1,90,88,082</b> | <b>30,05,202</b>           | -               | -           | <b>30,05,202</b> | <b>1,60,82,880</b> | <b>73,08,140</b> |
| Previous Year's Figures |                      | 93,22,342          | 9,91,000                  | -                        | 1,03,13,342        | 30,05,202                  | -               | -           | 30,05,202        | 73,08,140          | 63,17,140        |

This Note discloses details of Intangible Assets held by the Company, notwithstanding that the cost of these Assets to the Company is 'Nil', in terms of Note No. 2.4, 2.5 & 2.6 above.

|  | 31st March 2020 | 31st March 2019 |
|--|-----------------|-----------------|
|  | Rupees          | Rupees          |

## NOTE NO. 10 LONG TERM LOANS AND ADVANCES

|                   |                  |                  |
|-------------------|------------------|------------------|
| Security Deposits | 47,22,309        | 44,60,972        |
| Other Deposits    | 22,38,300        | 22,38,300        |
|                   | <b>69,60,609</b> | <b>66,99,272</b> |

|  | 31st March 2020 |        | 31st March 2019 |        |
|--|-----------------|--------|-----------------|--------|
|  | Rupees          | Rupees | Rupees          | Rupees |

## NOTE NO. 11 CURRENT INVESTMENTS

### Bank Deposits

|                                   |              |
|-----------------------------------|--------------|
| with less than 12 months maturity | 90,29,50,629 |
|-----------------------------------|--------------|

### Investments in Mutual Funds (Unquoted)

|   |                       |                     |
|---|-----------------------|---------------------|
| ICICI Pru.FMP - Series - 68-PLAN H          | -                     | 2,00,00,000         |
| ICICI Pru. FMP Series 68-Plan J             | -                     | 2,00,00,000         |
| ICICI Prudential Regular Savings Fund       | -                     | 2,00,00,000         |
| ICICI PRU. Regular Saving Fund - G -5597091 | -                     | 1,99,27,211         |
| ICICI PRU. Regular Saving Fund - G-5815691  | -                     | 1,00,72,789         |
| IDFC Fixed Term Plan Series 21              | -                     | 2,50,00,000         |
| IDFC Fixed Term Plan Series 23              | -                     | 2,75,00,000         |
| Kotak Medium Term Fund                      | -                     | 2,50,00,000         |
| Reliance Regular Saving Growth 404136109594 | -                     | 4,00,00,000         |
| Reliance Regular Savings Fund               | -                     | 2,30,00,000         |
| Reliance Short Term Growth Plan             | -                     | 2,00,00,000         |
| Templeton India Low Duration Fund           | -                     | 4,85,00,000         |
| Templeton India Short Term Income Plan      | -                     | 5,75,00,000         |
| Franklin India Banking & PSU Debt Fund      | -                     | 2,00,00,000         |
| Birla Income Plus - Growth                  | -                     | 1,50,00,000         |
| Birla Sun Life Dynamic Bond Fund- Growth    | -                     | 6,78,85,887         |
| Birla Sun Life Income Plus - Growth         | -                     | 75,00,000           |
| HDFC Corporate Debt Opportunities           | -                     | 3,00,00,000         |
| Kotak Bond Short Term                       | -                     | 75,00,000           |
| ICICI Prudential Flexible Income Plan - DDR | -                     | 8,60,13,469         |
| Birla Sun Life Cash Plus                    | -                     | 11,13,01,127        |
| HDFC Liquid Fund                            | 5,00,00,000           | -                   |
| HDFC Money Market Fund                      | 5,00,00,000           | -                   |
| ICICI Prudential Liquid Fund                | 5,00,00,000           | -                   |
| IDFC Ultra Short Term Fund                  | 5,00,00,000           | -                   |
| Kotak Liquid Fund                           | 5,00,00,000           | -                   |
| Kotak Money Market Fund                     | 5,00,00,000           | -                   |
| SBI Liquid Fund                             | 5,00,00,000           | -                   |
|   | 35,00,00,000          | 70,17,00,483        |
|   | <b>1,25,29,50,629</b> | <b>70,17,00,483</b> |



Investments in Mutual Funds as on 20th October 2015, in the sum of Rs.70,17,00,483 had been attached by the Directorate of Enforcement, Mumbai Region (ED), on that day. The Order of the ED has been set aside by the Appellate Tribunal, Prevention of Money Laundering Act and the Order has been confirmed by the Hon'ble High Court of Bombay vide its Order dated 2nd April 2019, read with the Order of clarification dated 15th April 2019. Accordingly, all Investments as at 31st March 2019, except Investments in Mutual Funds under "Fixed Term Plan" totalling to Rs.5,25,00,000, have been released by the ED during the year. The said Investments in Mutual Funds under "Fixed Term Plan", together with the Profit on its maturity received Rs. 1,47,97,452 have been released by ED on 21st September 2020, along with Interest for the period the amount were held by ED. Thus, the resultant total amount due from the ED as on March 31, 2020, calculated at Rs.8,26,61,173 is duly disclosed under the head "Other Current Assets".

| 31st March 2020 | 31st March 2019 |
|-----------------|-----------------|
| Rupees          | Rupees          |

## NOTE NO. 12 TRADE RECEIVABLES

|                               |                    |                     |
|-------------------------------|--------------------|---------------------|
| Due for more than six months  |                    |                     |
| Unsecured but considered good | 9,84,627           | -                   |
| Due for less than six months  |                    |                     |
| Unsecured but considered good | 1,99,25,438        | 51,28,03,873        |
|                               | <b>2,09,10,065</b> | <b>51,28,03,873</b> |

| 31st March 2020 | 31st March 2019 |
|-----------------|-----------------|
| Rupees          | Rupees          |

## NOTE NO. 13 CASH AND CASH EQUIVALENTS

|               |                     |                     |
|---------------|---------------------|---------------------|
| Cash in hand  | 2,65,001            | 2,06,554            |
| Cash at Banks | 78,08,52,041        | 60,47,10,419        |
|               | <b>78,11,17,042</b> | <b>60,49,16,973</b> |

| 31st March 2020 | 31st March 2019 |
|-----------------|-----------------|
| Rupees          | Rupees          |

## NOTE NO. 14 SHORT TERM LOANS AND ADVANCES

|                    |                 |                  |
|--------------------|-----------------|------------------|
| Loans and Advances | 9,44,883        | 7,47,717         |
| Other Dues         | -               | 3,89,042         |
|                    | <b>9,44,883</b> | <b>11,36,759</b> |

| 31st March 2020 | 31st March 2019 |
|-----------------|-----------------|
| Rupees          | Rupees          |

## NOTE NO. 15 OTHER CURRENT ASSETS

|                                     |                     |                     |
|-------------------------------------|---------------------|---------------------|
| Due from Directorate of Enforcement | 8,26,61,173         | -                   |
| GST Input Credit Available          | 51,18,434           | -                   |
| Interest Accrued                    | 1,14,87,981         | -                   |
| Taxes Deducted at Source            | 23,36,10,340        | 15,77,91,497        |
|                                     | <b>33,28,77,928</b> | <b>15,77,91,497</b> |

| 2019-20 |        | 2018-19 |        |
|---------|--------|---------|--------|
| Rupees  | Rupees | Rupees  | Rupees |

## NOTE NO. 16 LICENCE FEES

### Performing & Mechanical Right License Fees:

Domestic:

|                           |              |                |              |              |
|---------------------------|--------------|----------------|--------------|--------------|
| Broadcasting - Radio - FM | 83,20,147    |                | 48,29,094    |              |
| Broadcasting - Television | 49,00,00,000 |                | 29,36,06,890 |              |
| Webcasting/Streaming      | 4,67,78,105  |                | 4,47,81,576  |              |
| Mechanical Rights         | 20,94,524    |                | 42,55,770    |              |
| Public Performance        | 51,27,47,768 | 1,05,99,40,544 | 51,59,07,291 | 86,33,80,621 |

Overseas:

|                           |              |              |              |              |
|---------------------------|--------------|--------------|--------------|--------------|
| From Affiliated Societies | 2,48,69,934  |              | 10,84,61,230 |              |
| Webcasting/Streaming      | 45,21,43,652 | 47,70,13,586 | 51,76,28,359 | 62,60,89,589 |

### Synchronisation Rights Licences Fees:

|                                       |              |                       |              |                       |
|---------------------------------------|--------------|-----------------------|--------------|-----------------------|
| Synchronisation                       | 16,02,54,162 |                       | 15,63,80,177 |                       |
| Performing Rights for Synchronisation | 2,54,22,783  |                       | 1,51,92,500  |                       |
| Synchronisation -Overseas             | 32,66,500    | 18,89,43,445          | -            | 17,15,72,677          |
|                                       |              | <b>1,72,58,97,574</b> |              | <b>1,66,10,42,887</b> |

| 2019-20 |        | 2018-19 |        |
|---------|--------|---------|--------|
| Rupees  | Rupees | Rupees  | Rupees |

## NOTE NO. 17 EMPLOYEE BENEFIT EXPENSES

|  |  |                     |  |                    |
|--|--|---------------------|--|--------------------|
| Salaries and Bonus   |  | 13,12,77,870        |  | 7,93,06,247        |
| Contribution to Provident Fund                             |  | 67,62,789           |  | 38,87,242          |
| Contribution to Employees' State Insurance Corporation     |  | 6,32,108            |  | 5,82,914           |
| Contribution to Employees' Group Gratuity Assurance Scheme |  | 22,04,359           |  | 3,10,324           |
| Contribution to Employees' Group Superannuation Scheme     |  | 37,41,244           |  | 32,29,932          |
| Staff Welfare Expense                                      |  | 35,84,208           |  | 28,97,308          |
| Staff Recruitment Expense                                  |  | 6,80,000            |  | 6,63,560           |
|  |  | <b>14,88,82,578</b> |  | <b>9,08,77,527</b> |

|                                 | 2019-20       |                     | 2018-19       |                     |
|---------------------------------|---------------|---------------------|---------------|---------------------|
|                                 | Rupees        | Rupees              | Rupees        | Rupees              |
| <b>NOTE NO. 18</b>              |               |                     |               |                     |
| <b>OTHER EXPENSES</b>           |               |                     |               |                     |
| Rent, Rates & Taxes             |               | 1,11,53,145         |               | 68,65,726           |
| Legal Expenses                  |               | 9,88,47,741         |               | 8,10,64,261         |
| Travelling Expenses             |               | 2,68,34,463         |               | 1,60,92,186         |
| Insurance                       |               | 1,47,172            |               | 1,63,430            |
| Repairs, Renewals & Maintenance |               | 41,46,016           |               | 22,14,950           |
| Electricity                     |               | 21,48,449           |               | 17,33,062           |
| Auditors' Remuneration          |               |                     |               |                     |
| For Statutory Audit             | 15,00,000     |                     | 15,00,000     |                     |
| For Income Tax Matters          | 11,40,000     |                     | 8,50,000      |                     |
| For Certification               | 3,85,000      | 30,25,000           | 52,500        | 24,02,500           |
| Directors' Sitting Fees         |               | 8,40,000            |               | 6,00,000            |
| Society Charges                 |               | 1,53,555            |               | 92,113              |
| Professional Fees               |               | 2,71,21,191         |               | 1,54,96,376         |
| Conveyance                      |               | 1,04,09,660         |               | 72,80,506           |
| Telephone & Internet            |               | 24,64,826           |               | 27,37,321           |
| Printing & Stationery           |               | 22,45,612           |               | 23,32,825           |
| Postage & Courier               |               | 37,78,479           |               | 26,63,446           |
| Software Maintenance            |               | 50,00,490           |               | 52,94,153           |
| Fees, Subscription & Grants     |               | 4,55,399            |               | 93,501              |
| Meeting Expenses                |               | 37,83,635           |               | 40,25,754           |
| Advertisement & Promotion       |               | 12,44,992           |               | 56,13,339           |
| Office Expenses                 |               | 34,99,611           |               | 15,25,146           |
| General Expenses                |               | 3,46,912            |               | 70,320              |
| Loss on Exchange Fluctuation    |               | 80,562              |               | -                   |
| Bank Charges                    |               | 10,04,170           |               | 9,10,030            |
| Less: Finance Income            | (6,97,29,858) |                     | (1,90,11,358) |                     |
| Miscellaneous Income            | (17,22,000)   |                     | (11,57,781)   |                     |
| Less: Income Tax on above       | 1,79,83,004   | (5,34,68,855)       | 52,88,960     | (1,48,80,179)       |
|                                 |               | <b>15,52,62,224</b> |               | <b>14,43,90,766</b> |

|  | 2019-20 |                     | 2018-19 |          |
|--|---------|---------------------|---------|----------|
|  | Rupees  | Rupees              | Rupees  | Rupees   |
| <b>NOTE NO. 19</b>                                 |         |                     |         |          |
| <b>EXCEPTIONAL ITEMS</b>                           |         |                     |         |          |
| Profit on Maturity/ Redemption of Mutual Funds     |         | 28,75,91,908        |         | -        |
| Income from Mutual Funds                           |         | 4,39,71,089         |         | -        |
| Interest recovered from Directorate of Enforcement |         | 1,09,32,577         |         | -        |
| Less: Income Tax on above                          |         | (49,95,929)         |         | -        |
| Less: Interest on payment of Royalties             |         | (6,26,47,476)       |         | -        |
|  |         | <b>27,48,52,168</b> |         | <b>-</b> |

Investments in Mutual Funds as on 20th October 2015, in the sum of Rs. 70,17,00,483 had been attached by the Directorate of Enforcement, Mumbai Region (ED) on that day. All these Investments, except Investments under "Fixed Term Plan" totalling to Rs. 5,25,00,000, were released by the ED during the year. The said Investments in Mutual Funds under Fixed Term Plan matured on 13th July 2016 with Profit on maturity Rs. 1,47,97,452 along with Interest amounting to Rs.1,74,58,223 were released by ED on 21st September 2020. Out of the Investments released by the ED during the year, Investments in Mutual Funds under "Dividend Plan" totalling to Rs. 19,73,14,596 were redeemed during the year, together with Income accrued on those Mutual Funds Rs. 4,39,71,089. The remaining Investments in Mutual Funds were redeemed during the year, generating Profit on redemption Rs. 27,27,94,456. The Profit on redemption Rs. 27,27,94,456 and the Profit on maturity referred to above Rs. 1,47,97,452 totalling to Rs. 28,75,91,908 along with the Income by way of 'Dividend' from Mutual Funds Rs. 4,39,71,089, being the Income largely relating to the period 20th October 2015 onwards when the Investments were held by the ED are in the nature of Exceptional Income and are accordingly disclosed here. Similarly, out of the Interest of Rs 1,74,58,223 recovered from ED as referred to above, Rs 1,09,32,577 being Interest pertaining to the period between 10th October 2016 to 31st March 2019 also being in the nature of Exceptional Income, is disclosed here. Amounts totalling to Rs. 6,26,47,476 being Interest paid to Author/Composer Members, in terms of the Order dated 22nd June 2017 of the Appellate Tribunal, Prevention of Money Laundering Act, setting aside the Order of attachment by the ED, are deducted from the above Exceptional Income.

|  | 2019-20 | 2018-19 |
|--|---------|---------|
|  | Rupees  | Rupees  |

## NOTE NO. 20 FURTHER INFORMATION

|  |              |              |
|--|--------------|--------------|
| (i) License Fees received in foreign currency        | 48,02,80,085 | 62,60,89,589 |
| (ii) Expenditure in foreign currency on account of : |              |              |
| Software Maintenance                                 | 1,09,69,909  | 29,49,878    |
| Fees for Professional Services                       | 76,309       | 87,77,494    |
| Fees, Subscription & Grants                          | 3,68,772     | -            |
| Royalty remitted to Afiliated Societies              | 10,54,18,241 | 3,01,20,124  |

## NOTE NO. 21 ADMINISTRATIVE EXPENSES

As per the Rule 55 of the Copyright Rules, 2013, a Copyright society *may during the initial period of two years of its registration deduct upto 20% of the annual total collection* on account of administrative expenses incurred by the Society.

As stated in the Office Memorandum dated 6th October 2016 of the Department of Industrial Policy & Promotion of the Ministry of Commerce & Industry, the earlier registration granted to the Company under the pre-amended Copyright Act, 1957 was over w.e.f. 21st June 2013. Subsequently, the Company was granted an Interim registration on 28th November 2017, followed by final registration under Section 33(3) of the Copyright Act, 1957.

In effect, the expenses incurred by the Company during the year to the extent of 17.62% of its total collection is within the limit prescribed under Rule 55 of the Copyright Rules.

## NOTE NO. 22 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 the 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. 23****LEGAL MATTERS**

(i) A demand of Rs. 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 Rs. 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 had been 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 16.03.2017. The Department filed an appeal before the Supreme Court against the order of the Tribunal and the Company has filed its counter affidavits.

A demand of Rs. 2,98,43,011/- similar to 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 Rs. 30,24,301/- and late fees totalling to Rs. 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 three Show Cause Notices proposing, inter alia, to raise similar Service Tax demands totalling to Rs.1,05,23,968/- relating to the period 1st April, 2014 to 31st March, 2015, Rs.3,44,65,955/- relating to the period 1st April, 2015 to 31st March, 2017 and Rs. 47,26,895/- relating to the period 1st April, 2017 to 30th June, 2017, as well as consequential levies of interest and penalties. The Company has disputed the proposed demands of Rs.1,05,23,968/- and is in the process of disputing the demands of Rs. 3,44,65,955/- and Rs. 47,26,895/-

No provision has been made for the 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.

(ii) 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 is contesting such claims and considers the claims of the Broadcasting Companies as non-sustainable. The amount of claim for refund of License fees is estimated at Rs. 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.

(iii) 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. 24****RELATED PARTY TRANSACTIONS**

| Sr. No. | Name of the Related Party                                  | Relationship | Nature of Transactions  | 2019-20 | 2018-19 |
|---------|--|--------------|-------------------------|---------|---------|
|         |  |              |                         | Rupees  | Rupees  |
| 1       | Mr. Javed Akhtar   | Chairman     | Directors Sitting Fees  | 60,000  | 80,000  |
| 2       | Mr. Aashish Rego   | Director     | Directors Sitting Fees  | 80,000  | 80,000  |
| 3       | Mr. Anupam Roy   | Director     | Directors Sitting Fees  | -       | 20,000  |
| 4       | Mr. G V Prakash Kumar                                      | Director     | Directors Sitting Fees  | -       | 20,000  |
| 5       | Mr. Rajinder Singh Panesar                                 | Director     | Directors Sitting Fees  | 60,000  | 80,000  |
| 6       | Mr. Sahithi Cherukupalli                                   | Director     | Directors Sitting Fees  | 80,000  | 80,000  |
| 7       | Mr. Syed Ahmed   | Director     | Directors' Sitting Fees | 100,000 | 20,000  |
| 8       | Mr. Vidya Sagar  | Director     | Directors' Sitting Fees | 20,000  | 20,000  |
| 9       | Mr. Mayur Puri   | Director     | Directors' Sitting Fees | 20,000  | -       |
| 10      | Mr. Vikram Mehra (representing M/s.Saregama India Limited) | Director     | Directors' Sitting Fees | 80,000  | 80,000  |

|    |   |                                  |   |                          |                  |
|----|---|----------------------------------|---|--------------------------|------------------|
| 11 | Mr. Sumit Chaterjee (representing M/s. Sony Music Entertainment (I) Pvt. Ltd.)  | Director                         | Directors' Sitting Fees   | 60,000                   | 20,000           |
| 12 | Mr.Mandar Thakur (representing M/s. Bennett Coleman & Company Ltd.)             | Director                         | Directors' Sitting Fees   | 1,00,000                 | 80,000           |
| 13 | Mr Aditya Gupta (representing M/s. Aditya Music (India) Pvt. Ltd)               | Director                         | Directors' Sitting Fees   | 80,000                   | 20,000           |
| 14 | Mr Devraj Sanyal (representing M/s.Universal Music Publishing Pvt. Ltd)         | Director                         | Directors' Sitting Fees   | 20,000                   | -                |
| 15 | Mr Sushil Kumar Agrawal (representing M/s.Ultra Media & Entertainment Pvt. Ltd) | Director                         | Directors' Sitting Fees   | 80,000                   | -                |
| 16 | Mr. Rakesh Nigam  | Chief Executive Officer          | Employee Remuneration & Benefits: Current year<br>Arrears & Incentive | 1,72,82,442<br>85,00,000 | 1,34,12,788<br>- |
| 17 | Mrs.Sherley Singh Panesar   | Director's Wife                  | Professional Fees   | 6,00,000                 | 6,00,000         |
| 18 | Joshua Inc.   | Company owned by Director's Wife | Professional Fees   | 18,50,831                | 14,49,922        |

## NOTE NO. 25 CONTINGENT LIABILITIES

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

(I) Rs. 1,64,63,173/-, Rs. 2,98,43,011/-, Rs. 1,05,23,968/-, Rs. 3,44,65,955/- and Rs. 47,26,895/- by way of Service Tax and related levies, as detailed in Note No. 23(i).

(ii) Rs. 31,47,14,432/- by way of refund of License Fees, as detailed in Note No. 23(ii)

## NOTE NO. 26 IMPACT OF COVID-19 PANDEMIC

The outbreak of Coronavirus(COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic and other activities. The Company has evaluated the impact of this pandemic on its business operations and other related matters, based on the internal and external information available till the dates of approval of the financial results and the current indicators of future outlook. In the terms of this evaluation, the Company expects to recover from the impact of COVID-19 pandemic very soon. The Company will continue to closely monitor any material changes to future outlook.

## NOTE NO. 27 THE PRESENTATION

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

### Signatures to Notes 1 to 27

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

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

Place : Mumbai;  
Date : 24th November, 2020

**For and on behalf of the Board of Directors of**  
**THE INDIAN PERFORMING RIGHT SOCIETY LIMITED**

Sd/-  
**JAVED AKHTAR**  
Chairman

Sd/-  
**VIKRAM MEHRA**  
Director

Sd/-  
**AHMED SYED**  
Director

Sd/-  
**SUMIT CHATTERJEE**  
Director

Sd/-  
**MANDAR THAKUR**  
Director

Sd/-  
**SUSHIL KUMAR AGRAWAL**  
Director

Sd/-  
**MAYUR PURI**  
Director

Sd/-  
**SAHITHI CHERUKUPALLI**  
Director

Sd/-  
**SAMEER PANDEY**  
Director

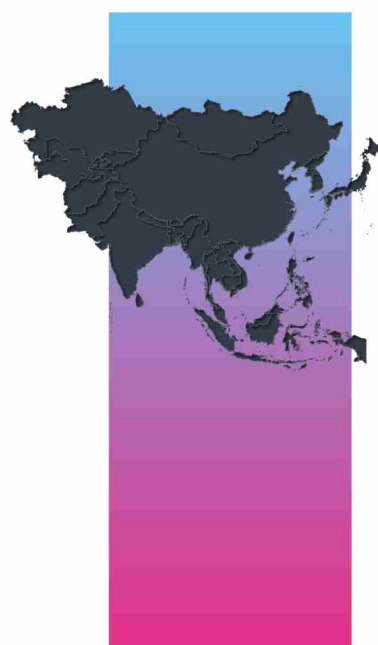
Sd/-  
**ADITYA GUPTA**  
Director

# Territories

## WHERE IPRS REPERTOIRE IS REPESENTED



| Country      | Performing | Mechanical |
|--------------|------------|------------|
| KENYA        | YES        | NO         |
| MAURITIUS    | YES        | NO         |
| SOUTH AFRICA | YES        | NO         |
| TANZANIA     | YES        | NO         |



| Country     | Performing | Mechanical |
|-------------|------------|------------|
| HONG KONG   | YES        | NO         |
| INDONESIA   | YES        | NO         |
| JAPAN       | YES        | YES        |
| KOREA       | YES        | YES        |
| LEBANON     | YES        | YES        |
| MALAYSIA    | YES        | NO         |
| NEPAL       | YES        | NO         |
| PHILIPPINES | YES        | NO         |
| SINGAPORE   | YES        | NO         |
| TAIWAN      | YES        | NO         |
| THAILAND    | YES        | NO         |
| TURKEY      | YES        | YES        |
| VIETNAM     | YES        | YES        |



| Country  | Performing | Mechanical |
|----------|------------|------------|
| BRAZIL   | YES        | YES        |
| CHILE    | YES        | NO         |
| COLOMBIA | YES        | NO         |
| ECUADOR  | YES        | YES        |
| PERU     | YES        | YES        |
| SURINAME | YES        | NO         |



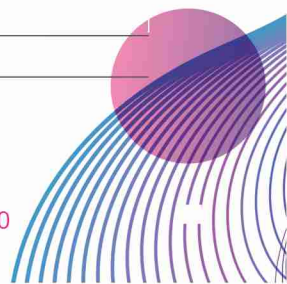
| Country  | Performing | Mechanical |
|--|------------|------------|
| BELGIUM  | YES        | NO         |
| CROATIA  | YES        | NO         |
| FINLAND  | YES        | NO         |
| FRANCE & French Territories:<br>Guadeloupe, Guyana,<br>Martinique, Reunion, French<br>Polynesia, Mayotte, Saint-Pierre<br>and Miquelon, New Caledonia,<br>Tahiti, Wallis and Futuna, Saint-<br>Barthelemy, Saint-Martin. | YES        | YES        |
| GERMANY  | YES        | NO         |
| ICELAND  | YES        | NO         |
| IRELAND  | YES        | NO         |
| ISRAEL   | YES        | NO         |
| KAZAKHSTAN   | YES        | NO         |
| LITHUANIA  | YES        | NO         |
| LUXEMBOURG   | YES        | YES        |
| MOLDOVA, REPUBLIC OF   | YES        | YES        |
| MONACO   | YES        | YES        |
| NETHERLANDS  | YES        | YES        |
| PORTUGAL   | YES        | YES        |
| ROMANIA  | YES        | NO         |
| SLOVAKIA   | YES        | YES        |
| SPAIN  | YES        | YES        |
| SWEDEN   | YES        | NO         |
| RUSSIAN FEDERATION   | YES        | NO         |
| TURKEY   | YES        | NO         |
| UKRAINE  | YES        | NO         |
| UK   | YES        | NO         |



| Country             | Performing | Mechanical |
|---------------------|------------|------------|
| USA                 | YES        | NO         |
| CANADA              | YES        | YES        |
| CUBA                | YES        | NO         |
| MEXICO              | YES        | NO         |
| TRINIDAD AND TOBAGO | YES        | NO         |



| Country     | Performing | Mechanical |
|-------------|------------|------------|
| AUSTRALIA   | YES        | NO         |
| NEW ZEALAND | YES        | NO         |







Photos credits: Aditya Chinchure (Unsplash), Georgia Evans (Dreamstime)

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