

**Addendum to the Policy for Past Settlement**  
**Distribution Methodology for Royalty amounts collected from Television Broadcasters**  
**pertaining to past (usage) period as a one-time Settlement from 2012 to 2018.**

This policy pertains to legal/past period settlement and includes the collections from the three television broadcasters – Star India Private Limited, Zee Entertainment and Sony TV Entertainment towards settlement of claims for usage of musical works and associated literary works in the past i.e. till 31<sup>st</sup> March, 2018. As a matter of routine IPRS has collected 100% of the payable royalty where the relevant publishers are members of IPRS. For Non-member Publishers, IPRS has collected Authors Statutory share of royalty only for its members be it composer and / or author. IPRS has not collected any royalty as part of settlement amounts for non-members because as a registered copyright society IPRS is constrained to act only on behalf of its registered members and for the works registered by them

The amounts received from STAR, Sony and Zee are ad-hoc one time commercially negotiated settlement amounts. These amounts additionally are not supported by usage data, because this usage data has not been made available to IPRS by such broadcasting entities despite the best efforts of IPRS to secure them from these broadcasters. The reasons for lack of usage data for past period range from a lack of usage tracking mechanisms and lack of external mechanisms which can be used to reliably source such data. As a consequence, as is the default position with all copyright societies, in the absence of usage data, these settlement amounts can only be distributed using analogical data. The total distribution, for STAR, Zee and Sony payments, accordingly includes the STAR break up as an analogy supported by data gathered from BARC (which tracks advertising in the context of specific television programming), and song lists where available or as provided by for example from STAR, etc.

**DISTRIBUTION RATIO**

**The ratio of Distribution amongst Composers, Lyricists and Publishers/Producers based on the methodology (mentioned below) will be as follows<sup>1</sup>:**

	<b>% to Total</b>
<b>Composers</b>	
Background- GEC	<b>12%</b>
Background –Films	<b>6%</b>
Songs (includes played in GEC and Movie Channels)	<b>19%</b>
<b>Total Composers</b>	<b>37%</b>
<b>Lyricists (Songs played in GEC and Movie Channels)</b>	<b>19%</b>
<b>Publishers/Producers -</b>	
Songs (includes played in GEC and Movie Channels)	<b>38%</b>
Background- Films	<b>6%</b>
<b>*Total</b>	<b>100%</b>

\*Total mentioned above excludes

- 1) Amount Attributable for International Music
- 2) Amount allocated on pro-rata basis as mentioned in Note 1 (below)

---

<sup>1</sup> The distributable % have been updated in view of the exclusion of pro-rata amounts as mentioned in the Note 1 below.

## **DISTRIBUTION METHODOLOGY**

### **International Music**

Royalties for International Music broadcast on Star TV Broadcast channels is to be distributed as per the break up provided by Star India as this is the closest to an analogy. The Royalties for International Music played on Zee and Sony Broadcast channels will be distributed in the same ratio that is derived from Star royalty workings for International Music.

Since there are no usage logs provided by Star, Zee and Sony, IPRS has sourced the information of the programming guide of these broadcasters for the past 2-3 years for the Movie channels / Serials of Star, Zee and Sony for International works from BARC and shall distribute the royalties accordingly. However, the distribution of royalties for international music (serials/ movies) shall be made as per the cue sheets for such serials and movies and the royalties to be distributed without giving any weightages.

### **Background Music- GEC Channels**

The distribution of Background Music –GEC channels will be done combining the collections from all the three TV Broadcast Channels (i.e.: Star, Zee and Sony). Since there are no logs provided by Star, Zee and Sony TV, IPRS has sourced the information of the programming guide of the concerned broadcasters for the past 2 to 3 years (as is available) for the GEC channels (Serials) of Star, Zee and Sony from BARC and shall distribute the monies accordingly.

It should be noted that for Background Music, the owner of copyright (i.e. the publisher) of the Background Music for Television GEC (i.e. the television channel) is not a member of IPRS and accordingly the ratio mentioned above does not reflect the payment /percentage share payable to the 'Music Publisher' for such background Music, which would be a 50:50 Split between the Composer and Publisher.

### **Songs-GEC Channels**

The distribution ratio towards GEC Songs (Star, Zee and Sony) mentioned above is excluding the valuation as derived by the pro-rata calculation (refer note below).

A list of "third party songs" has also been provided by Star TV and additionally, IPRS has also correlated this list with the songs usage as monitored by the Publishers. This was done to ensure accuracy as to the song list provided by Star TV. To distribute the royalties for Songs –GEC Channels played in Zee and Sony, the same song list as of Star TV will be considered as an analogy, (a) given the lack of other data; and (b) given the relative size, channel list and geographical and language spread of Star TV's broadcasting activities, the list forms an applicable analogy for television broadcasting usage of film songs. The Songs based royalties for GEC Channel usage will be distributed to IPRS members only – Composer, Author and Owner Publisher in their respective ratio i.e. 25:25:50

### **Film Music (in Movie Channels)**

The distribution of Film Music (played in Movie Channels) will be done combining the collections from all the three TV Broadcast Channels (i.e., : Star, Zee and Sony). The weightage ratio between background music vis-a-vis song will be 1:3 (i.e. 1 minute for a song is 3 minutes for a background music) based on usage of work. The Royalties for the Film Music played in Movie channels will be distributed based on the program guide received from BARC.

**The above methodology of distribution will be applicable only for the past settlement i.e. till March 2018 of ad-hoc, commercially negotiated amounts collected from the broadcasters including, Star, Sony and Zee. This is in view of the exceptional circumstances of such collection for past usage which is limited by the absence of any usage logs from the Broadcaster and a formal basis in the IPRS Distribution Scheme for a weightage between Film Music i.e. feature music and background music.**

**Note:**

- 1) The valuation for Zee TV towards past period settlement was for a period of 11 years from 2008 to 2018 due to the fact that IPRS was in litigation with Zee. For the period prior to 2012, the applicable law (i.e., the Copyright Act, 1957) excluded any royalties payable for music synchronised with any Visual recording i.e. cinematograph films (by way of background, GEC serials constitute individual “cinematograph films” akin to theatrical films). Accordingly, the amount received as the settlement sum with Zee TV covered the entire period between 2008 to 2018. For the period 2008 to 2011 the royalty paid by Zee TV, allocated, on a pro-rata basis would consequently only be applied for distribution for Songs licensed by Zee TV from publishers which were utilised for GEC channels.- in view of IPRS Article of Association which mandate such recognition for post 2012 law in respect only of collections for usage of music made by license platforms post-2012. This is considering the fact, as stated above, that music utilised as part of Films and Serials were recognised as attracting the rights to royalty post the amendments in 2012. The said value calculation for the said period is being made on a pro rata basis (in the absence of any other available basis) considering the entire valuation of past settlement for Zee Television spanned a period of 11 years (2008-18).
- 2) IPRS has not had an occasion to address a weightage system for songs and background music since it has never addressed this issue before. This distribution shall not constitute a precedent for normal licensed distributions basis collections from current usage since (a)IPRS is conscious that this is not the perfect system for distribution and (b) more importantly, IPRS is required to set up a long term distribution model, to address regular royalty collections in keeping with its standing as a Copyright Society representing authors, music composers and music publishers.

IPRS has already commenced a public consultation with its members to gather suggestion and comments to inform and advise the IPRS as it is structuring an appropriate long term distribution rules governing collection and distribution of background music and feature music. IPRS is additionally informed by CISAC's survey which has examined the distribution policies of various international copyright societies

- 3) Actual figures have not been included in this addendum since the figures constituting commercially negotiated amounts are subject to confidentiality provisions in the relevant agreements executed between Broadcasters and IPRS.