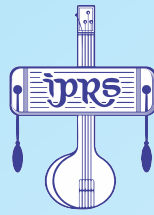


# THE INDIAN PERFORMING RIGHT SOCIETY LIMITED



Creators /  
Author / Composer

Owners  
Publishers

**Moving Towards Copyright Society...**



**ANNUAL REPORT 2016-17**

## DIRECTORS OF THE GOVERNING COUNCIL



SHRI JAVED AKHTAR  
CHAIRMAN



SHRI SHRIDHAR SUBRAMANIAM  
SONY MUSIC



SHRI VIKRAM MEHRA  
SAREGAMA INDIA



SHRI AASHISH REGO



SHRI RAJINDER SINGH  
PANESAR



SHRI GANESH JAIN  
VENUS WORLDWIDE



SHRI KUMAR TAURANI  
TIPS INDUSTRIES



SHRI DEVRAJ SANYAL  
UNIVERSAL MUSIC



SHRI MANDAR THAKUR  
TIMES MUSIC



SHRI G V PRAKASH KUMAR



SHRI ANUPAM ROY



SHRI SAHITHI CHERUKUPALLI



SHRI RAKESH NIGAM  
CEO

**MEMBERS OF THE GOVERNING COUNCIL**

(AS AT 17TH AUGUST 2017)

**Author Members**

Mr Javed Akhtar

(Chairman)

Mr Sahithi Cherukupalli

Mr Anupam Roy

**Composer Members**

Mr Rajinder Singh Panesar

Mr Aashish Dominic Rego

Mr G. V. Prakashkumar

**Publisher Members**

Universal Music Publishing Pvt Ltd

Venus Worldwide Entertainment Private Limited

Tips Industries Limited.

Saregama India Limited.

Sony Music Entertainment India Pvt Ltd

Bennett Coleman & Company Limited.

**BANKERS**

Bank of India

Indian Bank

Indian Overseas Bank

**LEGAL COUNSELS**

Mr Pravin Anand

Ms Geetanjali Visvanathan

Mr Pragyan Sharma

Mr Sandeep Marne

Mr Himanshu Bagai

Mr Phiroze Edulji

Mr Gaurav Chopra

Mr. Yogesh Nadkarni

Mr. Raashid Zaffar

Mr. Suresh Poojary

Mr. Sanjay Chadha

**AUDITORS**

M/s R K Khanna & Associates

**REGISTERED OFFICE**

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

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

Email : admin@iprsltd.com

**ADMINISTRATIVE OFFICES**

**Southern**

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

**Northern**

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

**Eastern**

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

**BOARD'S REPORT PRESENTED BY THE CHAIRMAN**

**To  
The Members,  
The Indian Performing Right Society Limited**

On behalf of your Directors, I am happy to present this Annual Report along with the Audited Accounts for the year ended on 31<sup>st</sup> March, 2017.

Our members will be aware that The Indian Performing Right Society Ltd ("IPRS") was embroiled in disputes between Authors/ Composers and Music Publishers for a long time. This state of affairs resulted in multiple complaints, litigations and even an inquiry conducted by the Government of India. I am happy to note that since the past year IPRS made determinative efforts to align itself with the Copyright Act, 1957 [as amended by the Copyright (Amendment) Act, 2012] by undertaking various positive steps, including the adoption of new Articles of Association which unequivocally declare that IPRS will be truly representative of all of its members namely Authors/ Composers and Music Publishers. The withdrawal of litigations which had been instituted against IPRS also paved the way for IPRS to conduct fresh elections which resulted in the appointment of a new Board of Directors/Governing Council at IPRS. I am happy also to note that IPRS' has also proactively adopted resolutions which reflect and operationalize the purpose and intention of the new IPRS Articles of Association, mandating royalty distribution and sharing in conformity with Copyright Act, 1957 (as amended in 2012). Another positive development which reflects IPRS renewed determination to be an effective and compliant entity, is its submission to the Department of Industrial Policy and Promotion, Ministry of Commerce & Industry that its 2013 application for re-registration as a Copyright Society be taken up and dealt with in light of the significant changes made by IPRS.

I, along with my author/ composer as well as music publisher colleagues who constitute the new IPRS Board were elected to the IPRS Board on March 31<sup>st</sup> 2017 as a consequence of the historic changes made within IPRS, and accordingly as your new Chairman, I have the privilege & pleasure of being able to report on the activities of IPRS over the previous year.

From its founding in 1969, IPRS has indeed come a long way. The copyright industry around the world faces new challenges and new opportunities every day. Technology has irrevocably changed the music exploitation landscape ranging from mobile/ cellular services or OTT services and continues to play an important role in how music is consumed.

The "new-look" and restructured IPRS is eager to play an important role in this complex landscape keeping in mind the interests of its members as well as of "users" of music. Our relationship with users is symbiotic and IPRS is determined to be proactive, professional in its conduct as well as cooperative with all. With the far reaching changes effected to IPRS, it is well on its way to actively and more efficiently representing all its members and additionally looks forward to approval from the Government of India to act as a Copyright Society.

**1. NEW ARTICLES OF ASSOCIATION AND FRESH ELECTIONS:**

I am heartened to note and to report to all members that IPRS has taken several concrete steps to ensure complete compliance with the Copyright Act, 1957 (as amended). In compliance with the 2012 amendments, IPRS has now moved to ensure that the Society i.e. IPRS not only reflects and is truly representative of ALL of its classes of members but also that each membership class is guaranteed an equal and effective say and contribution in the management of the Society.

IPRS has taken several positive and determinative steps to comply with the Copyright Act, 1957 from the perspective of its creative community members / artistes as well as that of CISAC which reflects and represents the will of the international creative community. Some of these steps already taken are detailed below:

**(a) All litigations filed by Owner/Music labels/Music Publishers and IPRS against IPRS' elections have unconditionally been withdrawn and have been closed:**

All litigations lodged / filed since 2004 against IPRS including against IPRS holding elections, amending its Articles of Association etc., have been unconditionally withdrawn by IPRS and/or by Music Company/Music Publisher members who instituted these litigations. These litigations also included the Registrar of Copyrights as a party. This positive development cleared the way for IPRS to adopt new Articles of Association and conducting fresh election to its Board after a considerable period of time.

**(b) The IPRS Articles of Association have been amended and the New Articles of Association has been adopted by the General Body of IPRS:**

The new IPRS Articles of Association (i.e. the "*IPRS constitution*") which was formally adopted by IPRS at its **Extraordinary General Meeting held on February 9th 2017**, seeks to ensure that Authors/Composers are as required by the Copyright Act, 1957 and Copyright Rules, 2013, treated as "equal members" of the Society along with Music Publisher members with the following positive elements namely:

- a. The Board of Directors of IPRS i.e., the Governing Council ("**GC**") will have equal representation of the authors/composers with music publishers;
- b. In order that all the regions of India will have fair representation on the GC of IPRS, the GC will consist of members from all four regions of India viz. West, South, North and East;
- c. In order to ensure that each class is represented by Directors reflecting the will of each class of members and critically, to obviate any chance of "*cross-class manipulation*", Authors/Composers will have right to vote to elect only Authors / Composer as candidates for positions of Directors on the GC and Music Publishers will Vote to elect only Owner Publisher as Directors on the GC;
- d. The IPRS constitution can only be amended or altered if 75% of the entire membership of IPRS approves such changes and that to only after 75% of the GC of IPRS approves such changes. This "fail-safe mechanism" will ensure that the entire membership of IPRS has a say in the constitution of the Society and the constitution is protected from class dominance and misuse as alleged in the past;
- e. Post September 2020, IPRS will move to a revenue based voting pattern to reflect the international trend and best practices followed by International Collective Management Organizations.

**(c) Royalties collected by IPRS shall be distributed equally between author and owner/publisher members of IPRS:**

## THE INDIAN PERFORMING RIGHT SOCIETY LIMITED

IPRS is completely committed to the mandate of the Copyright Act, 1957 and consequently its decision that it will grant licenses for utilization (performance and mechanical royalties) and will distribute royalty so collected equally amongst authors and owners unless restricted by a final court judgement, is reflective of this statutory mandate. This decision is in fact operationalized in the constitution of IPRS and consequently firmly binds IPRS to the same. You will note from the AoA that this is a clear mandate within the AoA itself at Article 31 of its Articles of Association which is extracted and reproduced below:

- (a) *The Society shall license, collect and distribute for all utilization (per section 18 & 19 read with Section 30 of the Copyright Act 1957) in exercise of the copyright, license or authority assigned to the Society by its members and affiliated societies or exercise the same as per law; i.e. the royalty distribution will be equally between the owner and author.*
- (b) *All such royalties received or collected by the Society shall be distributed in the ratio of:*
- (i) *Relevant Owner Member of the relevant literary and/ or musical work: 50%;*
  - (ii) *Relevant Author Member of literary work: 25%; and*
  - (iii) *Relevant Author Member of musical work: 25%.*
- (c) *The Society will collect and distribute royalties for all utilization, after 21st June, 2012 of all musical and or literary works to*
- (i) *The Relevant Authors / Composers and Owners or their legal heirs equally in the ratio as stated in (i), (ii) and (iii) of sub Article (b) above for musical or literary works created and owned prior to 21st June, 2012.*
  - (ii) *The Relevant Authors / Composers and Owners or their legal heirs equally in the ratio as stated in (i), (ii) and (iii) of sub Article (b) above for musical or literary works created and owned post to 21st June, 2012.*
  - (iii) *The Relevant Authors / Composers and Owners or their legal heirs their share of royalty and no private arrangement to the contrary will be binding on the Society.*
- (d) *The company shall only distribute Royalties, as payable under these Articles, directly, in the name and to the account of the relevant Author/ Composer Member of the Society or their legal heir and to no other third person or entity.*

IPRS *vide* Article 31(d) of its new Articles of Association has also ensured that royalties will only be collected by the Authors concerned (or by their legal heirs) and by no other persons. This will ensure further that any attempt to by-pass or "side step" the spirit of the 2012 amendments to the Copyright Act, 1957 is defeated/prevented by IPRS.

Further in order to broad base the representation of IPRS across India, the membership of the IPRS has been opened to all authors and composers in India.

I am very happy to report that the Author and Music Composer Associations namely the Music Composers Association of India (MCAI) and the Screen Writers Association (SWA) (formerly the Film Writer Association) have fully endorsed the above mentioned changes made by IPRS.

## **2. IPRS AS AN ASSIGNEE OF RIGHTS & ITS FINANCIAL PERFORMANCE ON LICENCING ACTIVITIES:**

IPRS had filed an application for re-registration as a Copyright Society with the Central Government within the stipulated time line vide letter dated 8th May, 2013. Subsequently, in view of the withdrawal of all litigations and the changes made by IPRS, the Company has filed a letter dated 30th May, 2017 with the Central Government requesting that the Government consider IPRS's re-registration application afresh. While this application is pending, the reconstituted Board of IPRS considers that IPRS continues to be bound in letter and spirit by the Copyright Act, 1957. And although IPRS as a Company can continue to enforce copyrights as assigned to IPRS by owners of such rights and in the process, issue/grant licenses to the users of music for utilization of works under Section 30 of the Copyright Act as an owner of copyright by virtue of the Assignment of copyrights in the literary and musical works from its owner members, IPRS hopes that its application for re-registration will be favorably and expeditiously considered and dealt with by the Central Government, in view of the extensive changes and steps taken by IPRS to align itself with the law of the land. The Company believes that the intention of the Parliament and the Copyright Act, 1957 is that the authors have a non-waivable right to equal share of royalty and such royalties can be collected by a Copyright Society, which will additionally be addressed by IPRS' application for re-registration which is pending with the Central Government. Further, IPRS also underwrites and agrees with the mandate of the Copyright Act, 1957 that all owners are obliged to share royalty for the utilization of all works on equal basis with authors as per Sections 18 & 19 of the Copyright Act. The Company has initiated process of getting new/fresh assignment deeds, and the same has been done with the intention to reflect the extended mandate of the 2012 Amendments in the Copyright Act 1957, in continuation of the earlier assignment deed from its members.

### **FINANCIAL PERFORMANCE - Performing Rights Income:**

The total Income from Performing Rights before expenses during the year under review was Rs. 3307 Lacs compared to previous year's Income of Rs. 3495 Lacs, a decrease of Rs.188 Lacs i.e. decrease of around 5% over last year. Accordingly, the Royalties due to the Members after deduction of Legal and Administration Expenses stood at Rs. 1980 Lacs compared to Rs. 2456 Lacs for the previous year, a decrease of Rs. 476 Lacs over the last year. The Revenues of the Company were affected due to the impact of the judgments of the Bombay, Kerala and Delhi High Courts, registration as Copyright Society and other enforcement matters.

During the year under review, there was a decrease of Rs. 107 Lacs in General Public Performance and a fall of Rs. 34 Lacs in Broadcasting Income (FM Radio/Internet and TV) compared to the previous year which was due to litigations and many operators/users having taken the shelter of the judgments of the Delhi, Bombay and Kerala High Courts. The Company has however taken legal steps to protect its rights. The Company believes that the amendments to the Copyright Act and legal appeals will ensure that FM Radio Operators start obtaining license and pay royalties for broadcasting songs.

The Overall Overseas Income was Rs. 65 Lacs during the year under review i.e. a fall of Rs. 48 Lacs over the previous year. With the changes in the Copyright Amendment and Copyright Rules, the Company will however, continue with its efforts to increase its Income from Overseas for its members due to the increase in the exploitation of Indian Musical Works in the overseas markets by tapping new countries where Indian Music has made inroads.



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

**3. COPYRIGHT AND LEGAL MATTERS:**

**I. LICENSING CASES:**

The Company continues its battle against errant users of music by continuing to pursue legal action for infringement of copyright against them.

We would like to recognize the immense and sincere efforts put in during the past year by our Lawyers Mr. Pravin Anand and Ms. Geetanjali Visvanathan from M/s Anand and Anand, Mr. Pragyan Sharma, Mr. Sandeep Marne, Mr. Himanshu Bagai, Mr. Gaurav Chopra, Mr. Phiroze Edulji, Mr. Yogesh Nadkarni, Mr. Sanjay Chadha and Mr. Raashid Zaffar & Mr Suresh Poojary from M/s Legal House resulting in these victories.

During the year IPRS has licensed Hotels namely Taj Group, Hyatt Group, Hotel Leela, Ginger Hotel, ITC Welcom Sheraton, Hotel Radisson Blu, Marriott, The Lalit, etc, Departmental Stores namely Titan Group, Arvind Life Style, Best Seller Retail, Globus, Kaya Skin Clinic, Biba Apparels Westside etc, Restaurants namely Devyani Group, Barbeque Nation, Bird Catering & Lounges Paradise Foods etc., Airlines namely Jet Airways, Air India and Tata Sia Airlines, Malls namely Big Cinema, Trillium Mall, Elante Mall Management, DLF, Ansal Plaza Mall, Vijaya Mall, Banks and Offices namely HSBC, Blue Dart Express, Deutsche Bank, Convergys India, Health Care namely VLCC, Talwarkars, Gold Gym etc., Pubs namely JSM Group, Afra Rafri, Prism Indiracon, Smaash Ent., Discos namely Boudir Lounge, Athena, Club Cubana, Hospitals namely Apollo Hospitals, Dr. Agarwals Eye Hospital, and have also licenced The Shipping Corporation of India. Further, IPL & other Cricket Matches, Football Matches and Bacardi NH7 Weekender' 2016, Awards functions, other Live Performances have been successfully licenced.

IPRS has also licensed in Commercial / Advertisement segment companies like Marico India, ITC Limited, Tata Sky, Titan Company Limited, Forever Marks Diamonds, Toyota Kirloskar Motor and Mondelez India (Bournvita) among many others, for broadcast and communication to the public of musical works and or literary works, as part of their Commercials / Advertisements on various medium.

**II. WITHDRAWAL OF CASES AGAINST THE COMPANY WITH REGARD TO OWNERSHIP:**

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

Saregama India Ltd. had filed a Suit in the Barasat Court and an ex-parte injunction had been granted against the Company on 25th November, 2004, with regard to the decisions of the AGM, including the status quo to be maintained on the Directors of the governing council/ board, which was held on 29th September, 2004.

**Saregama India Limited had during the year pursuant to approval of new Articles of Association in the EGM, withdrew litigations filed before the Barasat Courts relating to elections and which thus paved wave for fresh elections to Governing Council / Board on 31st March, 2017.**

**B. PROCEEDINGS BY THE ENFORCEMENT DIRECTORATE:**

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

The Order of the Adjudicating Authority confirming the Provisional Attachment Order (PAO), has been set aside by the Appellate Tribunal, Prevention of Money Laundering Act, vide their decision dated 22.06.2017 passed in favour of IPRS.

As informed in the last Director's Report, about the royalties / licence fees collected by IPRS is a legitimate business, and that the Investments made by the Company in various mutual funds were legitimate. The Tribunal stated that, *"It is evident from the record that the appellant had been following the international standards and norms of collection and distribution of royalty. The amount of royalty collected and pending distribution could in no manner be construed as proceeds of cheating. The appellant had been filing all the statutory returns under the Income Tax and the Companies Act on time and never ever iota of suspicion has ever been raised by any of the Statutory Authority in respect of the working of the Appellant or with regard to its financial statement and returns"*.

**The PMLA Tribunal Judgment in favour of IPRS, will lead to release of the above amount, if the department does not appeal in the High Court against the same.**

IPRS is similarly making efforts to close other cases on the basis of its compliance with the amended Copyright Act, 1957.

**4. INTERNATIONAL RELATIONS:**

The Company is constantly engaged in improving its International Relations with various Sister Societies and seeking a revocation to the temporary expulsion of IPRS from CISAC. IPRS is determined to re-enter the International Collective Management System and will positively and actively engage with CISAC on this aspect.

**5. ADMINISTRATION:****A. ROYALTY DISTRIBUTION :**

The Company distributed gross royalties to the tune of Rs.1417 Lacs (previous year Rs. 732 Lacs) to its members including Rs. 117 Lacs (previous year Rs. 132 Lacs) to its International Societies during the financial year under review, and the members were paid royalties according to the Distribution Scheme for the logged and unlogged royalties as approved in the AGM.

**B. DATA DOCUMENTATION:**

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

**C. LICENCING:**

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

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

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

**7. REVISION OF FINANCIAL STATEMENT:**

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

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

During the financial year 2016-17, the Company did not enter into any transactions/contracts/arrangements with related party(s) as defined under the provisions of Section 2(76) of the Companies Act, 2013.

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

During the financial year 2016-17, no loans, guarantees, investments and securities were provided pursuant to the provisions of Section 186 of the Companies Act, 2013.

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

**a. APPOINTMENT AND RE-APPOINTMENT OF DIRECTORS:**

The Members of the Company at their Extra-Ordinary General Meeting held on 31st March, 2017, approved the appointment and re-appointment of the following Director of the Company;

**APPOINTMENT OF DIRECTORS**

Sr. No	NAME OF DIRECTORS	DIN
1	Mr. Javed Akhtar	00112984
2	Mr. Ashish Dominic Rego	01467041
3	Mr. Rajinder Singh Panesar	00756149
4	Mr. Govindarajan Venkatesan Prakashkumar	07768643
5	Mr. Anupam Roy	07769837
6	Mr. Sahithi Cherukupalli	07769259
7	Mr. Vikram Mehra	03556680
8	Mr. Mandar Ramesh Thakur	05333792

**RE - APPOINTMENT OF DIRECTORS**

Sr. No	NAME OF DIRECTORS	DIN
1	Mr. Ganesh Chhaganlal Jain	00332372
2	Mr. Kumar Sadhuram Taurani	00555831
3	Mr. Shridhar Subramaniam	00118318
4	Mr. Devraj Sugata Sanyal	03533598

**b. RETIREMENT BY ROTATION**

As per the provisions of Section 152 of the Companies Act, 2013, Mr. Kumar Taurani (DIN: 00555831), Mr. Devraj Sanyal (DIN: 03533598), Mr. Ganesh Jain (DIN: 00332372), and Mr. Shridhar Subramaniam (DIN: 00118318), retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Your Directors recommend their approval.

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

**a. GOVERNING COUNCIL MEETINGS:**

The members of the Governing Council met Seven times during the financial year ended 31<sup>st</sup> March, 2017 in accordance with the provisions of the Companies Act, 2013 and rules made thereunder on the following dates:

Serial No.	Date of General Council Meeting
1.	28/04/2016
2.	11/08/2016
3.	30/09/2016
4.	30/11/2016
5.	11/01/2017
6.	27/02/2017
7.	17/03/2017

**b. DIRECTOR'S RESPONSIBILITY STATEMENT:**

In terms of Section 134(5) of the Companies Act, 2013, in relation to the audited financial statements of the Company for the year ended 31st March, 2017, the Board of Directors hereby confirms that:

- a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. such accounting policies have been selected and applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2017 and of the Income and Expenditure for the year ended on that date on behalf of the members of the Company for that period;
- c. proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the annual accounts of the Company have been prepared on a going concern basis;
- e. proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively;

**c. RISK MANAGEMENT POLICY:**

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

**d. INTERNAL CONTROL SYSTEMS:**

Adequate internal control systems commensurate with the nature of the Company's business and size and complexity of its operations are in place has been operating satisfactorily. Internal control systems comprising of policies and procedures are designed to ensure reliability of financial reporting, timely feedback on achievement of operational and strategic goals, compliance with policies, procedure, applicable laws and regulations and that all assets and resources are acquired economically, used efficiently and adequately protected.

**12. 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, 2017:**

The observations made by the Statutory Auditors in their report for the financial year ended 31st March, 2017 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. RATIFICATION OF APPOINTMENT OF AUDITORS:**

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

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

**13. OTHER DISCLOSURES:**

Other disclosures as per provisions of Section 134 of the Act read with Companies (Accounts) Rules, 2014 are furnished as under:

**a. EXTRACT OF ANNUAL RETURN:**

Pursuant to the provisions of Section 134(3)(a) of the Companies Act, 2013, Extract of the Annual Return for the financial year ended 31st March 2017, made under the provisions of Section 92(3) of the Act is attached as Annexure I which forms part of this Report.

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

**A] Conservation of Energy, Technology Absorption:**

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

**B] Foreign Exchange Earning and Outgo:**

	1 <sup>st</sup> April, 2016 to 31 <sup>st</sup> March, 2017 <i>[Current F.Y.]</i>	1 <sup>st</sup> April, 2015 to 31 <sup>st</sup> March, 2016 <i>[Previous F.Y.]</i>
	Rs. in Lacs	Rs. in Lacs
<b>Actual Foreign Exchange earnings</b>	54.77	102.67
<b>Actual Foreign Exchange outgo</b>	140.47	162.27

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

The Directors further state that Pursuant to the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, no case pertaining to sexual harassment at workplace has been reported to Company during F.Y. 2016-17.

**d. GENERAL DISCLOSURES :**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions pertaining to these matters during F.Y. 2016-17:

- 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. 2016-17.

**14. ACKNOWLEDGEMENTS:**

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

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

Sd/-  
**JAVED AKHTAR**  
**CHAIRMAN**

**DIN : 00112984**  
Date: 17<sup>th</sup> August, 2017  
Place: Mumbai

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

**CIN: U92140MH1969GAP014359**  
Tel No. [022-26733748 /49/ 50 /6616] Fax No. [022-26736658]  
E-mail : [accounts@iprsltd.com](mailto:accounts@iprsltd.com)

**THE INDIAN PERFORMING RIGHT SOCIETY LIMITED**

**ANNEXURE I**

**EXTRACT OF ANNUAL RETURN- FORM MGT-9**  
As on financial year ended on 31<sup>st</sup> March 2017  
*[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	:	<b>THE INDIAN PERFORMING RIGHT SOCIETY LIMITED</b>
Category / Sub-Category of the Company	:	Company limited by guarantee
Address of the Registered office and contact details	:	208, Golden Chambers, New Andheri Link Road, Andheri (West), Mumbai- 400053 Tel: 2673 3748/49/50/6616 Fax: 26736658. Email: <a href="mailto:accounts@iprsltd.com">accounts@iprsltd.com</a>
Whether listed company	:	No
Name, Address and Contact details of Registrar and Transfer Agent, if any:	:	-

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

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

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

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

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

*\* Not applicable.*

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

**i. Category-wise Share Holding as on 31<sup>st</sup> March, 2017:**

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



**THE INDIAN PERFORMING RIGHT SOCIETY LIMITED**

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

**THE INDIAN PERFORMING RIGHT SOCIETY LIMITED**

**ii. Shareholding of Promoters:**

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

**iii. Change In Promoters' Shareholding:**

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

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

Sr. No.	For Each of the Top 10 Shareholders Name, Date & Reason of change	Shareholding at the beginning of the year (01-04-2016)		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 (01.04.2016)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
-	-	-	-	-	-

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

**V. INDEBTEDNESS:**

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

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

## THE INDIAN PERFORMING RIGHT SOCIETY LIMITED

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

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

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

#### B. COMPENSATION/FEES TO OTHER DIRECTORS:

Sl. No.	Particulars of Compensation/Fees	Name of Directors	Total Amount (in Rs.)
	1. Board of Directors		
	• * Directors' Compensation	SHRI HASAN KAMAAL	9.75
		SHRI OM PRAKASH SONIK	1.50
		SHRI OM PRAKASH KATARIA	0.25
	• Fee for attending General Council Meetings	SAREGAMA INDIA LIMITED REPRESENTED BY SHRI GHANASHYAM BHAGWAN AAYEER	1.00
		SONY MUSIC ENTERTAINMENT (I) PVT. LTD. REPRESENTED BY SHRI SHRIDHAR SUBRAMANIAM	0.20
		VENUS WORLDWIDE ENT. PRIVATE LIMITED REPRESENTED BY SHRI GANESH CHHAGANLAL JAIN	1.30
		SHRI OM PRAKASH SONIK	0.10
		SHRI HASAN KAMAAL	1.10
		SHRI OMPRAKASH DIWANHAND KATARIA	1.30
		SHRI PIRAISUDAN RAJU	0.70
		SHRI SAMUEL THANGARA] JOSEPH	0.90
		UNIVERSAL MUSIC INDIA LIMITED REPRESENTED BY SHRI DEVRAJ SUGATA SANYAL	0.80
	<b>Total</b>		<b>7.40</b>
	<b>Total Directors Fees</b>		<b>18.90</b>
	Overall ceiling as per the Act	Not Applicable since the Company is "Not for Profit organization".	

\* Includes Annual Fees and Medical assistance.

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

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

**THE INDIAN PERFORMING RIGHT SOCIETY LIMITED**

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

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

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

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

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

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

Date: 17th August, 2017  
Place: Mumbai

**THE INDIAN PERFORMING RIGHT SOCIETY LIMITED**

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

**2016 - 2017 (01.04.2016 to 31.03.2017)**

	Total No. of Meetings	Meetings Attended	Leave of absence applied/granted	Absent
Mr. Hasan Kamaal	7	6	1	N/A
Mr. Samuel Joseph	7	5	2	N/A
Mr. O.P.Sonik	1	1	N/A	N/A
Mr. Piraisudan	7	4	3	N/A
Mr. Om Prakash Kataria (Mr Abhilash)	7	7	N/A	N/A
M/s. Universal Music India Ltd.	7	4	3	N/A
M/s. Saregama India Ltd.	7	5	2	N/A
M/s. Tips Indutries Ltd.	7	3	4	N/A
M/s. Venus Worldwide Entertainment Pvt. Ltd.	7	7	N/A	N/A
M/s. Sony Music Entertainment India Pvt. Ltd.	7	1	6	N/A

**R. K. KHANNA & ASSOCIATES**  
CHARTERED ACCOUNTANTS

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

Tel. : 22833590, 22834262, 22835314

Fax : 22853302

E-mail: admin@rkkhannaassociates.com

Website : www.rkkhannaassociates.com

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

**Report on the Financial Statements**

We have audited the accompanying financial statements of THE INDIAN PERFORMING RIGHT SOCIETY LIMITED, ('the company') comprising of the Balance Sheet as at 31st March, 2017, the Statement of Income and Expenditure and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this Report.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and Cash Flow of the Company, in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

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

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

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

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

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

### **Opinion**

In our Opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March, 2017 and its Income and Expenditure on behalf of members of the company and its cash flows for the year ended on that date.

### **Emphasis of matter**

We draw attention to Note No. 1 regarding continuance of issuing Licenses & collecting of License Fees / Royalty under section 30 of the Copyright Act, 1957, by virtue of the assignment deed executed by members of the Company and Note No. 21, regarding Legal Matters to the financial statements. Our opinion is not qualified in respect of these matters.

### **Report on other Legal and Regulatory Requirements**

- (1) As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order.
- (2) As required by section 143(3) of the Act, we report that :
  - (a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - (c) The Balance Sheet, Income & Expenditure Statement and the Cash Flow Statement dealt by this report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) On the basis of the written representations received from the Directors as on 31st March 2017 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March 2017 from being appointed as a Director in terms of Section 164(2) of the Act;

- (f) With respect to the adequacy of the internal controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in *Annexure B*; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
- (i) Company has disclosed impact of pending litigations on its financial position in its financial statements - Refer Note No. 21 to the financial statements;
  - (ii) The Company did not have any long-term contracts including derivative contracts;
  - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - (iv) The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Refer Note No. 19 to the Financial Statements.

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

Chartered Accountants

(Firm Registration No: 105082W)

**Sd/-**

**MOHAMMED OBAID ANSARI**

Partner

(Membership No. 116304)

Place : Mumbai;

Date : 17th August, 2017



**Annexure A To The Independent Auditors' Report**

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

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

Nature of Dues	Amount (in ₹)	Period to which amount relates	Forum where dispute is pending
Service Tax, Penalty & Late Fees	3,30,47,312/-	01/04/2010 to 31/03/2014	CESTAT, Mumbai

The demand, penalties and late fees pertaining to period 01st April 2010 to 31st March 2014 have been disputed by the Company and the appeal filed before CESTAT, Mumbai is still pending

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

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

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

Chartered Accountants  
(Firm Registration No: 105082W)

Sd/-

**MOHAMMED OBAID ANSARI**

Partner  
(Membership No. 116304)

Place : Mumbai

Date: 17th August, 2017

**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 2017 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 authorizations of management and directors of the Company, and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

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

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

**Opinion**

In our opinion, the Company have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

Chartered Accountants

(Firm Registration No: 105082W)

Sd/-

**MOHAMMED OBAID ANSARI**

Partner

(Membership No. 116304)

Place : Mumbai;

Date : 17th August, 2017

**THE INDIAN PERFORMING RIGHT SOCIETY LIMITED**

**BALANCE SHEET AS AT 31ST MARCH 2017**

	Note No.	31 <sup>st</sup> March 2017		31 <sup>st</sup> March 2016	
		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	2,11,15,408		3,83,09,109	
			2,33,44,487		4,05,38,188
<b>Current Liabilities</b>					
Royalties to Members	5	87,28,09,731		83,83,69,587	
Other Current Liabilities	6	1,15,66,196		2,30,81,183	
Short Term Provisions	7	1,84,87,512		97,95,440	
			90,28,63,440		87,12,46,210
			<b>92,62,07,927</b>		<b>91,17,84,399</b>
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
<b>Fixed Assets</b>					
<b>Tangible Assets</b>					
Tangible Assets	8	3,27,54,374		3,51,47,600	
Intangible Assets	9	63,56,640		63,56,640	
Less : Funded out of Royalties Collected		(3,91,11,014)		(4,15,04,240)	
			-		-
Non-Current Investments	10	70,31,90,934		70,32,04,465	
Long Term Loans and Advances	11	31,81,032		9,42,732	
			70,63,71,966		70,41,47,197
<b>Current Assets</b>					
Cash and Cash-Equivalents	12	14,72,23,391		11,88,73,591	
Short Term Loans and Advances	13	13,40,872		13,83,530	
Other Current Assets	14	7,12,71,698		8,73,80,081	
			21,98,35,961		20,76,37,202
			<b>92,62,07,927</b>		<b>91,17,84,399</b>

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

Per our report of even date attached to the Financial Statement

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

(Firm Registraton No. 105082W)

Sd/-  
**MOHAMMED OBAID ANSARI**  
Partner

(Membership No. 116304)  
Place : Mumbai ;  
Date : 17th August, 2017

Sd/-  
**JAVEDAKHTAR**  
Director

Sd/-  
**SAHITHI CHERUKUPALLI**  
Director

**For and on behalf of the Governing Council**

Sd/-  
**AA SHISH REGO**  
Director

Sd/-  
**MANDAR THAKUR**  
Director

Sd/-  
**RAJINDER SINGH PANESAR**  
Director

Sd/-  
**SHRIDHAR SUBRAMANIAM**  
Director

Sd/-  
**VIKRAM MEHRA**  
Director

Sd/-  
**DEVRAJ SANYAL**  
Director

## THE INDIAN PERFORMING RIGHT SOCIETY LIMITED

### INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

	Note No.	2016-17		2015-16	
		Rupees	Rupees	Rupees	Rupees
<b>LICENSE FEES</b>	15		33,06,73,715		34,94,99,288
<b>EXPENSES</b>					
Employee Benefits Expense	16	6,98,54,533		5,88,60,312	
Other Expenses	17	6,27,84,750		4,50,26,804	
<b>Total Expenses</b>			<b>13,26,39,283</b>		<b>10,38,87,116</b>
<b>Net Royalties Payable to Members</b>			<b>19,80,34,432</b>		<b>24,56,12,171</b>
<b>BALANCE</b>			<b>NIL</b>		<b>NIL</b>

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

Per our report of even date attached to the Financial Statement

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

Sd/-  
**MOHAMMED OBAID ANSARI**  
Partner

(Membership No. 116304)  
Place : Mumbai ;  
Date : 17th August, 2017

Sd/-  
**JAVEDAKHTAR**  
Director

Sd/-  
**SAHITHI CHERUKUPALLI**  
Director

**For and on behalf of the Governing Council**

Sd/-  
**AA SHISH REGO**  
Director

Sd/-  
**MANDAR THAKUR**  
Director

Sd/-  
**RAJINDER SINGH PANESAR**  
Director

Sd/-  
**SHRIDHAR SUBRAMANIAM**  
Director

Sd/-  
**VIKRAM MEHRA**  
Director

Sd/-  
**DEVRAJ SANYAL**  
Director

**THE INDIAN PERFORMING RIGHT SOCIETY LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017**

	2016-17	2015-16
	Amount (Rs.)	Amount (Rs.)
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
License Fees Received	33,06,73,715	34,94,99,288
Royalties Paid	(13,79,24,072)	6,67,43,396
Royalties used for Financing of Fixed Assets	(4,81,042)	(15,75,280)
Medical Assistance given to Members	(5,28,956)	(14,90,172)
Exceptional Legal Expenses	(3,78,30,918)	(3,76,06,277)
Cue Sheet making charges	(99,000)	(77,350)
Service Tax Deposit paid	(22,38,300)	5,96,650
Short Term Loan & Advances Realised	42,658	4,58,435
Payment to Employees and Administration Expenses	(13,73,05,224)	(14,16,74,647)
<b>Net Cash from Operating Activities (A)</b>	<b>1,43,08,860</b>	<b>10,13,87,251</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITY</b>		
Sale/(Purchase) of Investment	-	(4,78,05,761)
Dividend Received on Investments	-	23,05,761
Interest Received on Investments	1,40,40,940	39,95,793
Profit/(Loss) on sale of Investment	-	1,09,84,200
<b>Net Cash used in Investing Activities (B)</b>	<b>1,40,40,940</b>	<b>(3,05,20,007)</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>2,83,49,800</b>	<b>7,08,67,244</b>
Opening Balance of Cash and Cash Equivalent	11,88,73,591	4,80,06,347
<b>Closing Balance of Cash and Cash Equivalent</b>	<b>14,72,23,391</b>	<b>11,88,73,591</b>

Notes 1 to 24 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 Registration No. 105082W)

**For and on behalf of the Governing Council**

Sd/-  
**MOHAMMED OBAID ANSARI**  
Partner

Sd/-  
**JAVEDAKHTAR**  
Director

Sd/-  
**AA SHISH REGO**  
Director

Sd/-  
**RAJINDER SINGH PANESAR**  
Director

Sd/-  
**VIKRAM MEHRA**  
Director

(Membership No. 116304)  
Place : Mumbai ;  
Date : 17th August, 2017

Sd/-  
**SAHITHI CHERUKUPALLI**  
Director

Sd/-  
**MANDAR THAKUR**  
Director

Sd/-  
**SHRIDHAR SUBRAMANIAM**  
Director

Sd/-  
**DEVRAJ SANYAL**  
Director

**THE INDIAN PERFORMING RIGHT SOCIETY LIMITED**  
**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**  
**FORMING AN INTEGRAL PART OF FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH 2017**

**NOTE NO. 1****COMPANY OVERVIEW**

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

The provisions of the Copyright Act, 1957 have been amended by The Copyright (Amendment) Act, 2012 with effect from 21st June, 2012. In terms of the amended Act, IPRS was required to get itself registered under Chapter VII of the Act, by 21st June, 2013. IPRS had applied for registration, but the same was not considered. IPRS on 2nd June, 2014 had informed the Government of India that its application for registration has lapsed and should be treated as withdrawn, in case it is not treated as lapsed. IPRS exercises and enforces on behalf of its members all their rights and remedies and issues Licences and collects Licence fees/Royalty under Section 30 of Copyright Act, 1957 by virtue of Assignment Deeds executed by its Members. However, IPRS vide its letter dated 30th May, 2017, has requested the Ministry to re-examine & revive the application dated 08th May, 2013 and grant registration in favour of IPRS as a Copyright Society with effect from the date of the registration so granted.

In the light of the provisions of the Copyright Act, 1957 as amended by the Copyright (Amendment) Act, 2012, the Company has adopted and duly approved a new set of Articles of Association of the Company prior to the said date of 9th February 2017.

**NOTE NO. 2****SIGNIFICANT ACCOUNTING POLICIES****2.1 Basis of Preparation of Financial Statements :**

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

**2.2 Revenue Recognition :**

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

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

**2.3 Post-Employment Benefits :**

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



**2.4 Property, Plant and Equipment :**

Property, Plant and Equipment are stated at their cost of acquisition or construction less accumulated depreciation and impairment, if any, 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 Fixed Assets noted below.

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

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 Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the assets and resultant gains or losses are recognised in the statement of Profit and Loss.

**2.5 Grant Received :**

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

**2.6 Funding of Fixed Assets :**

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

**2.7 Foreign Currency Translation :**

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

**2.8 Investments :**

Non Current Investments are valued at cost and Current Investments are valued at the lower of cost or 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 is restricted to 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.

**THE INDIAN PERFORMING RIGHT SOCIETY LIMITED**

	31 <sup>st</sup> March 2017		31 <sup>st</sup> March 2016	
	Rupees	Rupees	Rupees	Rupees
<b>NOTE NO. 3</b> <b><u>LONG TERM LIABILITIES</u></b>				
Advances Received		<b>22,29,080</b>		<b>22,29,080</b>
<b>NOTE NO. 4</b> <b><u>LONG TERM PROVISIONS</u></b>				
Provision for Employee Benefits :				
Interest under Provident Fund Scheme	--		39,24,000	
Staff Retirement Benefits	5,25,602	5,25,602	5,25,602	44,49,602
Provision for Exceptional Legal Expenses				
Opening Balance	3,38,59,507		3,77,21,925	
Add : Additions during the year	2,45,61,217		3,37,43,859	
Less : Exceptional Legal Expenses incurred	(3,78,30,918)	2,05,89,806	(3,76,06,277)	3,38,59,507
		<b>2,11,15,408</b>		<b>3,83,09,109</b>

Due to various adverse Orders passed against the Company during the last few years by different Courts of Law and due to the amendments to The Copyright Act and the Company not being a Copyright Society, a serious negative impact was felt on the collections of Licence Fees and the expenses of the Company increased heavily - mainly the Legal Expenses. To meet these Legal Expenses, the Company has, in terms of Article 35 of the Articles of Association of the Company, additionally kept aside during the year, a sum of ₹ 2,45,61,217/- (Last Year, ₹ 3,37,43,859/-), being 10% of the net Royalties payable to Members for the earlier year.

The Company has incurred during the year legal expense of ₹ 3,78,30,918/- (Last year ₹ 3,76,06,277/-), which the Company considers as exceptional in nature and has utilised the said amount from the amount so kept aside.

	31 <sup>st</sup> March 2017		31 <sup>st</sup> March 2016	
	Rupees	Rupees	Rupees	Rupees
<b>NOTE NO. 5</b> <b><u>ROYALTIES TO MEMBERS</u></b>				
Royalties to Members		<b>87,28,09,731</b>		<b>83,83,69,587</b>
<b>NOTE NO. 6</b> <b><u>OTHER CURRENT LIABILITIES</u></b>				
Sundry Creditors		76,07,526		1,51,41,838
Value Added Tax Payable		20,46,643		15,73,000
Tax Deducted at Source Payable		19,12,027		63,66,345
		<b>1,15,66,196</b>		<b>2,30,81,183</b>

**THE INDIAN PERFORMING RIGHT SOCIETY LIMITED**

	31 <sup>st</sup> March 2017		31 <sup>st</sup> March 2016	
	Rupees	Rupees	Rupees	Rupees
<b>NOTE NO. 7</b>				
<b><u>SHORT TERM PROVISIONS</u></b>				
Provision for Income Tax		1,44,89,659		97,95,440
Provision for Employee Benefits		39,97,853		-
		<u>1,84,87,512</u>		<u>97,95,440</u>

**NOTE NO. 8  
TANGIBLE ASSETS**

Description of Assets	Rate of Depreciation	COST						DEPRECIATION / AMORTIZATION					NET VALUE	
		As at 01-4-2016	Additions during the year	Sale During the year	As at 31-3-2017	As at 01-4-2016	During the year	Adjustments	As at 31-3-2017	As at 31-3-2017	As at 31-3-2016			
		Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees		
Office Premises	5.00	2,85,92,714	-	-	2,85,92,714	73,36,181	-	-	73,36,181	2,12,56,533	2,12,56,533	2,12,56,533		
Electrical Fittings	13.91	9,43,354	-	-	9,43,354	5,00,599	-	-	5,00,599	4,42,755	4,42,755	4,42,755		
Security & Access System	13.91	1,71,800	-	1,71,800	-	1,02,043	1,02,043	-	-	-	-	69,757		
Furniture & Fixtures	18.10	42,04,716	39,651	-	42,44,277	18,97,156	-	-	18,97,156	23,47,120	23,47,120	23,07,559		
Air Conditioners	13.91	9,53,563	42,500	-	9,96,063	1,03,973	-	-	1,03,973	8,92,090	8,92,090	8,49,590		
Typewriters	13.91	24,156	-	-	24,156	21,212	-	-	21,212	2,944	2,944	2,944		
Computers	40.00	77,09,810	3,31,739	1,35,770	79,05,779	23,45,966	-	-	23,45,966	55,59,813	55,59,813	53,63,844		
Office Equipments	13.91	22,24,292	2,57,432	24,750	24,56,974	5,43,801	-	-	5,43,801	19,13,173	19,13,173	16,80,491		
Facsimile Machine	13.91	43,748	-	-	43,748	23,189	-	-	23,189	20,559	20,559	20,559		
EPABX	13.91	2,34,300	95,790	44,300	2,85,790	-	-	-	-	2,85,790	2,85,790	2,34,300		
Xerox Machine	13.91	82,742	-	-	82,742	49,146	-	-	49,146	33,596	33,596	33,596		
Vehicles	25.89	28,85,671	-	28,85,671	-	-	-	-	-	-	-	28,85,671		
<b>Total</b>		4,80,70,867	7,67,022	32,62,291	4,55,75,598	1,29,23,267	-	1,02,043	1,28,21,224	3,27,54,374	3,27,54,374	3,51,47,600		
Previous Year's Figures		4,71,16,712	10,54,634	1,00,480	4,80,70,867	1,29,51,796	-	28,529	1,29,23,267	3,51,47,600	3,51,47,600	3,41,64,916		

**NO. 9  
INTANGIBLE ASSETS**

Description of Assets	Rate of Depreciation	COST						DEPRECIATION / AMORTIZATION					NET VALUE	
		As at 01-4-2016	Additions during the year	Sale During the year	As at 31-3-2017	As at 01-4-2016	During the year	Adjustments	As at 31-3-2017	As at 31-3-2017	As at 31-3-2016			
		Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees		
Software	40.00	93,64,492	-	-	93,64,492	30,07,852	-	-	30,07,852	63,56,640	63,56,640	63,56,640		
<b>Total</b>		93,64,492	-	-	93,64,492	30,07,852	-	-	30,07,852	63,56,640	63,56,640	63,56,640		
Previous Year's Figures		88,35,846	5,28,646	-	93,64,492	30,07,852	-	-	30,07,852	63,56,640	63,56,640	58,27,994		

**THE INDIAN PERFORMING RIGHT SOCIETY LIMITED**

	31 <sup>st</sup> March 2017		31 <sup>st</sup> March 2016	
	Rupees	Rupees	Rupees	Rupees
<b>NOTE NO. 10</b>				
<b><u>NON CURRENT INVESTMENTS</u></b>				
<b>Bank Deposits</b>				
with more than 12 months maturity		14,90,451		15,03,982
<b>Investments in Mutual Funds (Unquoted)</b>				
ICICI Pru.FMP - Series - 68-PLAN H	2,00,00,000		2,00,00,000	
ICICI Pru. FMP Series 68-Plan J	2,00,00,000		2,00,00,000	
ICICI Prudential Regular Savings Fund	2,00,00,000		2,00,00,000	
ICICI PRU. Regular Saving Fund - G -5597091	1,99,27,211		1,99,27,211	
ICICI PRU. Regular Saving Fund - G-5815691	1,00,72,789		1,00,72,789	
IDFC Fixed Term Plan Series 21**	2,50,00,000		2,50,00,000	
IDFC Fixed Term Plan Series 23**	2,75,00,000		2,75,00,000	
Kotak Medium Term Fund	2,50,00,000		2,50,00,000	
Reliance Regular Saving Growth 404136109594#	4,00,00,000		4,00,00,000	
Reliance Regular Savings Fund #	2,30,00,000		2,30,00,000	
Reliance Short Term Growth Plan #	2,00,00,000		2,00,00,000	
Templeton India Low Duration Fund	4,85,00,000		4,85,00,000	
Templeton India Short Term Income Plan	5,75,00,000		5,75,00,000	
Franklin India Banking & PSU Debt Fund	2,00,00,000		2,00,00,000	
Birla Income Plus - Growth	1,50,00,000		1,50,00,000	
Birla Sun Life Dynamic Bond Fund- Growth	6,78,85,887		6,78,85,887	
Birla Sun Life Income Plus - Growth	75,00,000		75,00,000	
HDFC Corporate Debt Opportunities #	3,00,00,000		3,00,00,000	
Kotak Bond Short Term	75,00,000		75,00,000	
ICICI Prudential Flexible Income Plan - DDR*	8,60,13,469		8,60,13,469	
Birla Sun Life Cash Plus*	11,13,01,127	70,17,00,483	11,13,01,127	70,17,00,483
*These are under 'Dividend Reinvestment Scheme'				
** Maturity proceeds of these Investments have been released in favour of Directorate of Enforcement after 30th June 2015.				
#These Investments have been transferred in the name of Directorate of Enforcement after 30th June 2015.				
		<b>70,31,90,934</b>		<b>70,32,04,465</b>
NOTE : The Investments in Mutual Funds amounting to ₹ 70,17,00,483/- as on 30th June 2015, have been provisionally attached by the Directorate of Enforcement, Mumbai Region, on 20th October 2015. Accordingly, income from two of the above Investments under the 'Dividend Reinvestment Scheme' and their reinvestments have been considered only upto 30th June 2015.				
<b>NOTE NO. 11</b>				
<b><u>LONG TERM LOANS AND ADVANCES</u></b>				
Security Deposits		9,42,732		9,42,732
Other Deposits		22,38,300		-
		<b>31,81,032</b>		<b>9,42,732</b>

**THE INDIAN PERFORMING RIGHT SOCIETY LIMITED**

	31 <sup>st</sup> March 2017		31 <sup>st</sup> March 2016	
	Rupees	Rupees	Rupees	Rupees
<b>NOTE NO. 12</b> <b><u>CASH AND CASH EQUIVALENTS</u></b>				
Cash in Hand		2,72,586		6,99,392
Cash at Banks		14,69,50,805		11,81,74,199
		<b>14,72,23,391</b>		<b>11,88,73,591</b>
<b>NOTE NO. 13</b> <b><u>SHORT TERM LOANS AND ADVANCES</u></b>				
Loans and Advances		9,28,111		9,34,248
Other Dues		4,12,761		4,49,282
		<b>13,40,872</b>		<b>13,83,530</b>
<b>NOTE NO. 14</b> <b><u>OTHER CURRENT ASSETS</u></b>				
Accrued Interest		7,19,031		5,62,172
Tax Deducted at Source		7,05,52,667		8,68,17,909
		<b>7,12,71,698</b>		<b>8,73,80,081</b>

**THE INDIAN PERFORMING RIGHT SOCIETY LIMITED**

	2016-17		2015-16	
	Rupees	Rupees	Rupees	Rupees
<b>NOTE NO. 15</b>				
<b><u>LICENCE FEES</u></b>				
<b>Performing Right License Fees :</b>				
Domestic :				
Broadcasting - Radio - FM	53,31,455		50,50,715	
Broadcasting - Television	3,00,000		39,05,200	
Public Performance	31,85,45,355		32,92,16,121	
		32,41,76,810		33,81,72,036
Overseas :				
Webcasting	-		7,82,140	
Affiliated Societies	64,96,905		1,05,28,521	
		64,96,905		1,13,10,661
<b>Synchronisation Right License Fees :</b>				
Overseas		-		16,591
		<b>33,06,73,715</b>		<b>34,94,99,288</b>
<b>NOTE NO. 16</b>				
<b><u>EMPLOYEE BENEFIT EXPENSES</u></b>				
Salaries and Bonus		6,12,96,144		5,18,27,396
Contribution to Provident Fund		30,85,602		25,96,449
Contribution to Employees' State Insurance Corporation		4,31,577		3,97,573
Contribution to Employees' Group Gratuity Assurance Scheme		2,80,909		24,646
Contribution to Employees' Group Superannuation Scheme		26,69,328		22,13,396
Staff Welfare Expense		20,90,973		18,00,852
		<b>6,98,54,533</b>		<b>5,88,60,312</b>

**THE INDIAN PERFORMING RIGHT SOCIETY LIMITED**

	2016-17		2015-16	
	Rupees	Rupees	Rupees	Rupees
<b>NOTE NO. 17</b>				
<b><u>OTHER EXPENSES</u></b>				
Rent, Rates & Taxes		19,12,954		17,78,613
Legal Expenses	6,74,76,083		5,79,33,188	
Less : Exceptional Legal Expenses expended out of Provision for Exceptional Legal Expense	(3,78,30,918)	2,96,45,165	(3,76,06,277)	2,03,26,911
Travelling Expenses		70,17,185		61,11,797
Insurance		1,49,988		2,36,112
Repairs, Renewals & Maintenance		15,24,325		14,09,786
Electricity		13,17,291		12,19,048
Auditors' Remuneration				
For Statutory Audit	10,35,000		10,30,500	
For Income Tax Matters	15,09,500		5,71,250	
For Other Services	82,615	26,27,115	68,500	16,70,250
Directors' Fees	19,66,501		24,91,613	
Less : Directors Remuneration of earlier years recovered	-	19,66,501	(3,95,000)	20,96,613
Society Charges		73,762		71,764
Professional Fees		94,94,713		51,97,200
Conveyance		48,36,735		46,57,951
Telephone & Facsimile		20,21,511		18,19,449
Printing & Stationery		12,18,680		10,27,205
Postage & Courier		18,66,258		17,58,524
Software Maintenance		32,35,687		28,21,637
Fees, Subscription & Grants		86,308		5,76,297
Meeting Expenses		24,55,223		9,81,574
Advertisement & Promotion		67,495		11,01,212
Office Expenses		6,91,335		6,79,721
Service Tax & its Interest thereon		-		20,30,660
General Expenses		30,489		1,05,649
Bank Charges		1,70,111		19,825
Exchange Rate Fluctuation		-		(7,300)
Less : Finance Income	(1,41,97,800)		(63,01,554)	
Profit on Sale of Investments	-		(1,09,84,200)	
Less : Income Tax for the year	46,94,219		46,25,060	
Miscellaneous Income	(1,20,500)	(96,24,081)	(3,000)	(1,26,63,694)
		<b>6,27,84,750</b>		<b>4,50,26,804</b>

NOTE : Income arising from Mutual Fund has not been considered during the year, as the Mutual Funds have been provisionally attached by the Directorate of Enforcement, Mumbai Region, on 20.10.2015. Further, some of the Investments were transferred in the name of the Enforcement of Directorate and the proceeds on maturity of some of the Investments, were released in favour of Directorate of Enforcement.



**THE INDIAN PERFORMING RIGHT SOCIETY LIMITED**

	2016-17	2015-16
	Rupees	Rupees
<b>NOTE NO. 18</b>		
<b><u>FURTHER INFORMATION</u></b>		
(i) License Fees received in foreign currency	54,76,866	1,02,66,997
(ii) Expenditure in foreign currency on account of :		
Fees & Subscriptions	-	4,86,231
Software Maintenance	23,79,524	25,44,539
(iii) Royalty remitted in Foreign Currency of Affiliated Society	1,16,67,570	1,31,95,951

**NOTE NO. 19**

**DISCLOSURE ON SPECIFIED BANK NOTES (SBN)**

The details of Specified Bank Notes (SBN) and Other Denomination Notes held and transacted during the period from 8th November, 2016 to 30th December, 2016 is given below:

Particulars	Specified Bank Notes	Other Denomination	Total
<b>Closing Cash in hand as on 8th November 2016</b>	<b>₹ 5,65,500</b>	<b>₹ 1,887</b>	<b>₹ 5,67,387</b>
(+) Permitted Receipts	-	₹17,45,887	₹17,45,887
(-) Permitted Payments	-	₹3,64,041	₹3,64,041
(-) Amount Deposited in Banks	₹5,65,500	₹12,29,518	₹17,95,018
<b>Closing Cash in hand as on 30th November 2016</b>	<b>-</b>	<b>₹1,54,215</b>	<b>₹1,54,215</b>

**NOTE NO. 20**

**DUES OF MICRO AND SMALL ENTERPRISES**

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

**NOTE NO. 21**

**LEGAL MATTERS**

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

(ii) Based on a F.I.R. dated 2nd June 2014 registered by Sadar Police Station, Agra, a complaint has been filed under Section 5(5) of Prevention of Money Laundering Act, 2002 before the Adjudicating Authority under the said Act, on 18th November, 2015, against the Company, by the Deputy Director, Directorate of Enforcement, Mumbai Region, Mumbai, following an Order dated 20th October 2015, issued by the Deputy Director, Directorate of Enforcement, provisionally attaching Investments in Mutual Funds valued as on 30th June 2015, at ₹ 70,17,00,483. This Order has been confirmed by the Adjudicating Authority, on 23rd March 2016. The Order of the Adjudicating Authority confirming the Provisional Attachment Order (PAO), has been set aside by the Appellate Tribunal, Prevention of Money Laundering Act, vide their decision dated 22.06.2017 passed in favour of IPRS. In effect these legal proceedings have no adverse impact on the financial position of the Company.

(iii) A demand of ₹ 1,64,63,173/- had been raised against the Company towards Service Tax for the period 16th June 2005 to 31st March 2010 and penalties totalling to ₹ 1,64,89,173/- had been imposed in this connection on the Company. The demand and the levies had been disputed by the Company and an appeal filed before the Customs, Excise & Service Tax Appellate Tribunal, Mumbai. The Tribunal has set aside the demands raised against the Company for the period 16th June 2005 to 31st March 2010, vide judgement dated 16.03.2017.

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

The Company has also received Show Cause Notices proposing, inter alia, to raise Service Tax demands totalling to ₹ 1,05,23,968/- relating to the period 1st April 2014 to 31st March 2015. The Company intends to dispute these demands also.

No provision has been made for service tax related liabilities. The Company is of the view that no liability will ultimately arise on these accounts and as such, these legal proceedings may not have any material and adverse impact on the financial position of the Company.

(iv) Some of the Broadcasting Companies who had paid License Fees in earlier years have raised claims on the Company for refund of the License Fees already paid by them, based on Delhi, Bombay and Kerala High Court Judgements. The Company has appealed against the said judgements and considers the claims of the Broadcasting Companies as non-sustainable. The amount of **claim for** refund of License fees is estimated at ₹ 37,80,87,120/-. The High Court of Delhi, vide its Order dated 18.05.2017, has directed the Company to refund an amount of Rs. 3,84,15,601/- to Radio Today Broadcasting Pvt. Ltd. However, the Company has filed an appeal against the order and obtained a stay order. No provision has been made by the Company in respect of these claims for refund. The Company is of the view that no liability may arise on these accounts and as such, these legal proceedings may not have any material and adverse impact on the financial position of the Company.

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

**THE INDIAN PERFORMING RIGHT SOCIETY LIMITED**

**NOTE NO. 22**  
**RELATED PARTY TRANSACTIONS**

Sr. No.	Name of the Related Party	Relationship	Nature of Transactions	2016-17	2015-16
				Rupees	Rupees
1	Mr. Hasan Kamaal	Chairman	Directors' Fees Directors Sitting Fees Medical Assistance	7,50,000 1,10,000 2,24,800	13,18,000 40,000 2,62,700
2	Mr. Om Prakash Sonik	Director	Directors' Fees Directors Sitting Fees Medical Assistance	1,50,000 10,000 -	6,22,000 30,000 4,49,773
3	Mr. Om Prakash D. Kataria	Director	Directors' Sitting Fees Medical Assistance	1,30,000 25,000	40,000 57,780
4	Mr. Ravindra Jain	Director	Directors' Sitting Fees	-	20,000
5	Mr. Praisudan Raju	Director	Directors' Sitting Fees Medical Assistance	70,000 -	30,000 3,38,089
6	Mr. Samuel Joseph	Director	Directors' Sitting Fees	90,000	30,000
7	Mr. Ganesh Jain (representing Venus Worldwide Entertainment Pvt. Ltd.)	Director	Directors' Sitting Fees	1,30,000	40,000
8	Mr. G.B. Aayeer (representing Saregama India Limited)	Director	Directors' Sitting Fees	1,00,000	30,000
9	Mr. Shridhar Subramaniam (representing Sony Music Entertainment (I) Pvt. Ltd.)	Director	Directors' Sitting Fees	20,000	10,000
10	Mr. Devraj Sanyal (representing Universal Music India Limited)	Director	Directors' Sitting Fees	80,000	20,000
11	Mr. Rakesh Nigam	Chief Executive Officer	Employee Remuneration & Benefits	1,21,62,161	94,18,585
12	Mr. Som Sonik	Son of Director	Employee Remuneration & Benefits	8,87,198	5,45,600

**NOTE NO. 23**

**CONTINGENT LIABILITIES**

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

- (i) ₹ 2,98,43,011/- and ₹ 1,05,23,968/- by way of Service Tax and related levies, as detailed in Note No. 21(3).
- (ii) ₹ 37,80,87,120/-, by way of refund of License Fees, as detailed in Note No. 21(4) .

**NOTE NO. 24**

**THE PRESENTATION**

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

**SIGNATURES TO NOTES 1 TO 24**

Per our report of even date attached to the Financial Statement

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

For and on behalf of the **Governing Council**

Sd/-  
**MOHAMMED OBAID ANSARI**  
Partner

Sd/-  
**JAVEDAKHTAR**  
Director

Sd/-  
**AA SHISH REGO**  
Director

Sd/-  
**RAJINDERSINGH PANESAR**  
Director

Sd/-  
**VIKRAM MEHRA**  
Director

((Membership No. 116304)  
Place : Mumbai ;  
Date : 17th August, 2017

Sd/-  
**SAHITHI CHERUKUPALLI**  
Director

Sd/-  
**MANDAR THAKUR**  
Director

Sd/-  
**SHRIDHAR SUBRAMANIAM**  
Director

Sd/-  
**DEVRAJ SANYAL**  
Director