



Right
Value
for your
Rights

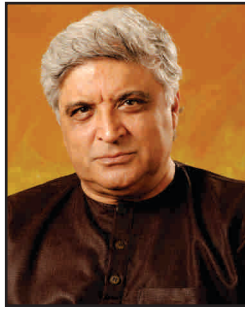


**The Indian Performing Right
Society Limited**



ANNUAL REPORT 2017-18

DIRECTORS OF THE GOVERNING COUNCIL



SHRI JAVED AKHTAR
CHAIRMAN



SHRI VIKRAM MEHRA
SAREGAMA INDIA



SHRI AASHISH REGO



SHRI RAJINDER SINGH
PANESAR



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 28TH SEPTEMBER 2018)

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 Owner Members

Saregama India Limited.

Bennett Coleman & Company Limited.

BANKERS

Bank of India

HDFC Bank

Indian Bank

Indian Overseas Bank

LEGAL COUNSELS

Mr Ameet Datta

Mr Pragyam Sharma

Mr Sandeep Marne

Mr Himanshu Bagai

Mr Phiroze Edulji

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

Eastern

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

Tel. : (033) 4005 4450 / 4453

Email : kolkattooffice@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

Western

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

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

E-mail: licencing@iprsltd.com

BOARD'S REPORT

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

Your Directors are happy to present this Annual Report along with the Audited Accounts for the year ended on 31st March, 2018.

1. IPRS BEING GRANTED REGISTRATION CERTIFICATE

As informed in our Report for year ended 31st March 2017, IPRS had renewed its determination to be an effective and compliant entity, in 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 mainly by way of adoption of new Articles of Association and conduct of fresh elections which resulted in appointment of a new Board of Directors / Governing Council at IPRS.

An Interim Registration as Copyright Society was granted on 28.11.2017 to the Company and further the Registration was confirmed on 08.06.2018 after IPRS had completed further actions as required by the Central Government. The registration means that IPRS activities and obligations are now specifically authorised under and mandated by Chapter VII of the Copyright Act, 1957.

IPRS is the only Copyright Society in India registered by the Central Government i.e. the Department of Industrial Policy & Promotion ("DIPP") under Section 33 of the Copyright Act, 1957 authorised to carry on the Copyright Business in relation to Musical Works and Literary Works associated with Musical Works.

The Registration granted by the Central Government will surely lead IPRS to a promising new beginning resulting to increase in revenue allowing it to better serve our members comprised of authors (lyricists), music composers and music publishers.

2. LICENCING ACTIVITIES:

FINANCIAL PERFORMANCE - Royalty (Licence) Fees :

The total Income from Licence Fees before expenses during the year under review was Rs. 4578 Lacs compared to previous year's Income of Rs. 3307 Lacs which is an increase of Rs. 1271 Lacs i.e. increase of approx.38% over last year. Accordingly, the Royalties due to the Members after deduction of Legal and Administration Expenses stood at Rs. 2805 Lacs compared to Rs. 1980 Lacs for the previous year, a increase of Rs. 825 Lacs over the last year.

During the year under review, there was an increase of Rs.374 Lacs in receipts from General Public Performance, a rise of Rs. 720 Lacs in Broadcasting Income (FM Radio/Internet and TV) compared to the previous year, which was mainly due to the revenue received from Members for Authors' Share on account of YouTube and Mix Radio Royalties and there was rise in Synchronisation Receipts of Rs. 197 Lacs compared to previous year.

The Overall Overseas Income was Rs. 46 Lacs during the year under review i.e. a decrease of Rs. 19 Lacs over the previous year. With the changes in the Copyright Amendment and Copyright Rules, the issuance of Registration Certificate by the Central Government and with the reinstatement of IPRS as a full Member with CISAC, the Company will make efforts to increase its Income from Overseas for its members on account of increase in 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. LEGAL MATTERS:

A. Proceedings by the Enforcement Directorate :

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

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

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

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

The High Court of Bombay vide its ad-interim Order dated 27th February, 2018, stayed all the further proceedings qua the Company.

IPRS is confident that the ECIR would be quashed which would lead to release of the funds currently lying under attachment with the Enforcement Directorate.

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

Based on the Report filed by the Commission of Inquiry, an Officer from The Serious Fraud Investigation Office (SFIO) was appointed under the Commission Act formed by the Ministry of Corporate Affairs to conduct forensic audit into the affairs of the Company. IPRS has provided all documents and information as requested for and requisite explanations have been provided and the Company is of the view that there will be no adverse findings against the Company, as there are no irregularities in the affairs of the Company.

4. INTERNATIONAL RELATIONS:

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

5. ADMINISTRATION:

A. ROYALTY DISTRIBUTION:

The Company distributed gross royalties to the tune of Rs. 848 Lacs (previous year Rs. 1417 Lacs) to its members during the financial year under review, and the members were paid royalties accordingly to the Distribution Scheme for the logged / unlogged royalties as approved in the AGM.

B. DATA DOCUMENTATION:

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

C. ADOPTION OF NEW TARIFF SCHEMES

At the Extra-ordinary General Meeting of the Members of the Company held on 11th April 2018, the “Tariff Scheme” was approved and adopted in total exclusion of the then existing Tariff.

The Members may note that the Tariffs of the Company have been updated or revised keeping in mind the current market conditions and this would enable the Company to scale up its performance pertaining to operations and profitability.

D. ADOPTION OF NEW ARTICLES OF ASSOCIATION AND DISTRIBUTION RULES / SCHEME

Pursuant to CISAC's binding Resolution and Professional Rules, IPRS has adopted the new Articles of Association at its Extra-ordinary General Meeting held on 03rd August, 2018.

Pursuant to the Copyright Act, 1957 and Copyright Rules, 2013 and CISAC's binding Resolution and Professional Rules, IPRS at its Extra-ordinary General Meeting held on 03rd August, 2018 has adopted Distribution Rules / Scheme and is effective from 01st April, 2018.

Due to the above changes / amendments in Articles of Association and adoption of new Distribution Rules / Scheme, IPRS' induction as a full Member with CISAC is expected to be reinstated soon.

E. MAJOR CHANGES REALTED TO MEMBERSHIP

IPRS continues its endeavor to encourage all its Members to:

- (a) Register their Musical Works and / or associated Literary Works with IPRS
- (b) Execute the new IPRS Standard Assignment Agreement

Registration of Works will allow IPRS to collect Royalties from various platforms exploiting music. Based on the IPRS Work Database, IPRS will accordingly allocate proper share of Royalty payable to each member as per the Works registered by that relevant Member with the IPRS' Works Database.

The New IPRS Standard Assignment Agreement authorizes IPRS to represent each of its Members in order to (a) grant licenses and / or (b) collect statutory Royalties.

IPRS' statutory authority to collect Author's statutory royalty is based on Section 18, Section 19 read with Section 33 and 34 of the Copyright Act, 1957.

The first ever IPRS Online Membership Application Portal was launched. It is expected that the beginning of the new era of digital instance will be time saving and will allow a secured and efficient way to receive and deliver information.

F. LICENCING:

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

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

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

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 2017-18, the transactions/contracts/arrangements entered into by the Company with related party(ies) as defined under provisions of Section 2(76) of the Companies Act, 2013 were in the ordinary course of business and on an arm's length basis.

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

During the financial year 2017-18, your Company did not give any loans or guarantees or make any investments and provide any securities pursuant to the provisions of Section 186 of the Companies Act, 2013.

10. MATTERS RELATED TO DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. RESIGNATION OF DIRECTORS:

During the year under the review, the following Nominee Directors resigned from the Board of IPRS. The Board places on record its appreciation for the services rendered by them during their respective tenure as Director :

Sr. No.	NAME OF DIRECTOR	DIN	Name of Nominating Publisher Owner Company	Date of Resignation
1.	Mr. Shridhar Subramaniam	00118318	Sony Music Entertainment India Pvt. Ltd.	14-12-2017
2.	Mr. Devraj Sanyal	03533598	Universal Music Publishing Pvt. Ltd.	14-12-2017
3.	Mr. Ganesh Jain	00332372	Venus Worldwide Entertainment Pvt. Ltd.	14-12-2017
4.	Mr. Kumar Taurani	00555831	Tips Industries Ltd.	21-12-2017

The above-mentioned resignation of Directors resulted due to the provisions of the Copyright Act, 1957 read with the Copyright Rules, 2013 which by way of an independent stipulation

mandates a separate term limit for the Directors of Copyright collecting entities. The Company is in process to fill 4 vacancies on the Company's Board of Directors (comprised of 12 Directors) through nominations from members.

B. RETIREMENT BY ROTATION:

As per the provisions of Section 152 of the Companies Act, 2013, Mr. Mandar Thakur (DIN:05333792), Mr. Anupam Roy (DIN:07769837) and Mr. G V Prakash Kumar (DIN:07768643), are liable to retire by rotation at the ensuing Annual General Meeting and being eligible, the said retiring Directors have offered themselves for re-appointment.

Your Directors recommend their respective re-appointment for your approval.

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

A. GOVERNING COUNCIL MEETINGS:

The members of the Governing Council met 6 (Six) times during the financial year ended 31st March 2018 in accordance with the provisions of the Companies Act, 2013 and rules made thereunder on the following dates:

Sr No.	Date of General Council Meeting
1.	4 th April, 2017
2.	2 nd June, 2017
3.	25 th July, 2017
4.	17 th August, 2017
5.	12 th December, 2017
6.	29 th March, 2018

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, 2018, 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, 2018 and of the Income and Expenditure for the year ended on that date;
- c. Proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. The annual accounts of the Company have been prepared on a going concern basis;
- e. Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively;

C. RISK MANAGEMENT POLICY:

Risks are events, situations or circumstances, which may lead to negative consequences on the Company's businesses. Risk management is a structured approach to manage uncertainty. The

Board has adopted a Risk Management Policy. All business divisions and corporate functions have embraced Risk Management Policy and make of it in their decision-making. Key business risks and their mitigation are considered in day-to-day working of the Company. The risk management process over the period of time will become embedded into the Company's business system and process, such that the responses to risk remain current and dynamic.

D. INTERNAL CONTROL SYSTEMS:

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

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 2018:

The observations made by the Statutory Auditors in their report for the financial year ended 31st March, 2018 read with the explanatory notes therein are self-explanatory and therefore, do not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

B. FRAUD REPORTING:

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

C. STATUTORY AUDITORS:

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s R.K. Khanna & Associates Chartered Accountants (Firm Registration Number: 105082W) the Statutory Auditors of the Company have been appointed for a term of 5 years.

The Company has received a confirmation from the said Auditors that they are not disqualified to act as the Auditors and are eligible to hold the office as Auditors of the Company.

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 2018 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:

	1st April, 2017 to 31st March, 2018 (Current F.Y.)	1st April, 2016 to 31st March, 2017 (Previous F.Y.)
	Rs. in Lacs	Rs. in Lacs
Actual Foreign Exchange earnings	41.15	54.77
Actual Foreign Exchange outgo	27.16	140.47

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. 2017-18.

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

D. GENERAL DISCLOSURES:

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions pertaining to these matters during F.Y. 2017-18:

- 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. 2017-18.
- e. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
- f. No payment of remuneration / commission has been made to any Director / Key Managerial Personnel from the Holding / Subsidiary Company.

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: 28th September, 2018

Place: Mumbai

Registered Office:

208, Golden Chambers New,

Andheri Link Road,

Andheri (W),

Mumbai 400 053

CIN: U92140MH1969GAP014359

Tel No. 022 – 2673 3748/49/50/6616 Fax No. 022 – 2673 6658

E-Mail : accounts@iprsltd.com

THE INDIAN PERFORMING RIGHT SOCIETY LIMITED

ANNEXURE I

EXTRACT OF ANNUAL RETURN- FORM MGT-9
As on financial year ended on 31st March 2018
[Pursuant to section 92(3) of the Companies Act, 2013 and
Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

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

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

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

** Not applicable.*

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

i. Category-wise Share Holding as on 31st March, 2018:

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

THE INDIAN PERFORMING RIGHT SOCIETY LIMITED

c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2):	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	-	-	-	-	-	-	-	-	-
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) 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 (01-04-2017)		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 (01.04.2017)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
-	-	-	-	-	-

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

V. INDEBTEDNESS:

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

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

THE INDIAN PERFORMING RIGHT SOCIETY LIMITED

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

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

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

B. COMPENSATION/FEES TO OTHER DIRECTORS:

Sl. No.	Particulars of Compensation/Fees	Name of Directors	Total Amount (Rs. In Lacs) (in Rs.)
	1. Board of Directors		
	Fee for attending General Council Meetings	SHRI JAVED AKHTAR	1.20
		SHRI AASHISH REGO	1.00
		SHRI ANUPAM ROY	0.40
		SHRI G V PRAKASH KUMAR	0.40
		SHRI RAJIDNER SINGH PANESAR	1.00
		SHRI SAHITHI CHERUKUPALLI	1.20
		SAREGAMA INDIA LIMITED REPRESENTED BY SHRI VIKRAM MEHRA	1.20
		SONY MUSIC ENTERTAINMENT (I) PVT. LTD. REPRESENTED BY SHRI SHRIDHAR SUBRAMANIAM	0.80
		VENUS WORLDWIDE ENTERTAINMENT LIMITED REPRESENTED BY SHRI GANESH CHHAGANLAL JAIN	0.80
		UNIVERSAL MUSIC PUBLISHING PVT. LTD. REPRESENTED BY SHRI DEVRAJ SUGATA SANYAL	1.00
		BENNETT COLEMAN & COMPANY LTD. REPRESENTED BY SHRI MANDAR THAKUR	1.20
	Total Directors Fees		10.20
	Overall ceiling as per the Act	Not Applicable since the Company is "Not for Profit organization".	

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

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

THE INDIAN PERFORMING RIGHT SOCIETY LIMITED

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

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

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

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

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

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

Date: 28th September, 2018
Place: Mumbai

THE INDIAN PERFORMING RIGHT SOCIETY LIMITED

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

2017 - 2018 (01.04.2017 to 31.03.2018)

	Total No. of Meetings	Meetings Attended	Leave of absence applied/granted	Absent
Mr Javed Akhtar	6	6	N/A	N/A
Mr Rajinder Singh Panesar	6	5	1	N/A
Mr Aashish Rego	6	5	1	N/A
Mr Anupam Roy	6	2	4	N/A
Mr Sahithi Cherukupalli	6	6	N/A	N/A
Mr G V Prakash Kumar	6	2	4	N/A
M/s. Universal Music Publishing Pvt. Ltd.	5	5	N/A	N/A
M/s. Saregama India Ltd.	6	6	N/A	N/A
M/s. Tips Industries Ltd.	5	4	1	N/A
M/s. Venus Worldwide Entertainment Pvt. Ltd.	5	4	1	N/A
M/s. Sony Music Entertainment India Pvt. Ltd.	5	4	1	N/A
M/s Bennett Coleman & Co. Ltd.	6	6	N/A	N/A

R. K. KHANNA & ASSOCIATES
CHARTERED ACCOUNTANTS

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

Tel. : 022-622 44444

E-MAIL : admin@rkka.in
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, 2018, 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, 2018 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 till receipt of Interim Registration Certificate as a Copyright Society on 28th November 2017 and to Note No. 20, regarding Legal Matters. 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 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 2018 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March 2018 from being appointed as a Director in terms of Section 164(2) of the Act;

THE INDIAN PERFORMING RIGHT SOCIETY LIMITED

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

For R. K. KHANNA & ASSOCIATES

Chartered Accountants

(Firm Registration No: 105082W)

Sd/-

MOHAMMED OBAID ANSARI

Partner

(Membership No. 116304)

Place : Mumbai;

Date : 28th September, 2018

Annexure A To The Independent Auditors' Report

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

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

Nature of Dues	Amount (in ₹)	Period to which amount Relates	Forum where dispute is pending
Service Tax, Penalty & Late Fees	3,29,52,346/- [#]	16/06/2005 to 31/03/2010	Supreme Court
Service Tax, Penalty & Late Fees	3,30,47,312/- [*]	01/04/2010 to 31/03/2014	CESTAT, Mumbai

[#]The demand, penalties and late fees pertaining to period 16th June 2005 to 31st March 2010 have been disputed by the Company and the appeal filed in this connection before the Hon'ble Supreme Court is still pending.

^{*}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 in this connection before CETSAT, Mumbai is still pending.

THE INDIAN PERFORMING RIGHT SOCIETY LIMITED

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: 28th September 2018

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 2018 in conjunction with the audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2018, 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 : 28th September 2018

THE INDIAN PERFORMING RIGHT SOCIETY LIMITED

BALANCE SHEET AS AT 31ST MARCH 2018

	Note No.	31 st March 2018		31 st March 2017	
		Rupees	Rupees	Rupees	Rupees
LIABILITIES					
Non-Current Liabilities					
Long Term Liabilities	3	22,29,080		22,29,080	
Long Term Provisions	4	92,99,048		2,11,15,408	
			1,15,28,128		2,33,44,487
Current Liabilities					
Royalties to Members	5	1,06,64,55,329		87,28,09,731	
Other Current Liabilities	6	2,86,09,381		1,15,66,196	
Short Term Provisions	7	1,87,98,199		1,84,87,512	
			1,11,38,62,909		90,28,63,439
			1,12,53,91,037		92,62,07,927
ASSETS					
Non-Current Assets					
Property, Plant & Equipment					
Tangible Assets	8	3,37,51,995		3,27,54,374	
Intangible Assets	9	63,17,140		63,56,640	
Less : Funded out of Royalties Collected		(4,00,69,135)		(3,91,11,014)	
			-		-
Non-Current Investments	10	70,31,90,934		70,31,90,934	
Long Term Loans and Advances	11	32,34,692		31,81,032	
			70,64,25,626		70,63,71,966
Current Assets					
Cash and Cash-Equivalents	12	32,40,91,567		14,72,23,391	
Short Term Loans and Advances	13	11,41,329		13,40,872	
Other Current Assets	14	9,37,32,515		7,12,71,698	
			41,89,65,411		21,98,35,961
			1,12,53,91,037		92,62,07,927

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

Per our report of even date attached to the Financial Statement

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

Chartered Accountants

(Firm Registraton No. 105082W)

Sd/-
MOHAMMED OBAID ANSARI
Partner

Sd/-
JAVED AKHTAR
Director

For and on behalf of the Governing Council

Sd/-
AASHISH REGO
Director

Sd/-
RAJINDER SINGH PANESAR
Director

Sd/-
VIKRAM MEHRA
Director

(Membership No. 116304)
Place : Mumbai ;
Date : 28th September, 2018

Sd/-
SAHITHI CHERUKUPALLI
Director

Sd/-
MANDAR THAKUR
Director

Sd/-
G. V. PRAKASH KUMAR
Director

THE INDIAN PERFORMING RIGHT SOCIETY LIMITED

**INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2018**

	Note No.	2017-18		2016-17	
		Rupees	Rupees	Rupees	Rupees
LICENSE FEES	15		45,78,40,658		33,06,73,715
EXPENSES					
Employee Benefits Expense	16	8,38,12,938		6,98,54,533	
Other Expenses	17	9,34,84,549		6,27,84,750	
Total Expenses			17,72,97,487		13,26,39,283
Net Royalties Payable to Members			28,05,43,170		19,80,34,432
BALANCE			NIL		NIL

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

Per our report of even date attached to the Financial Statement

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

Sd/-
MOHAMMED OBAID ANSARI
Partner

Sd/-
JAVED AKHTAR
Director

For and on behalf of the Governing Council

Sd/-
AASHISH REGO
Director

Sd/-
RAJINDER SINGH PANESAR
Director

Sd/-
VIKRAM MEHRA
Director

(Membership No. 116304)
Place : Mumbai ;
Date : 28th September, 2018

Sd/-
SAHITHI CHERUKUPALLI
Director

Sd/-
MANDAR THAKUR
Director

Sd/-
G. V. PRAKASH KUMAR
Director

THE INDIAN PERFORMING RIGHT SOCIETY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

	2017-18	2016-17
	Amount (Rs.)	Amount (Rs.)
(A) CASH FLOW FROM OPERATING ACTIVITIES		
License Fees Received	45,78,40,658	33,06,73,715
Royalties Paid	(8,32,93,288)	(13,79,24,072)
Royalties used for Financing of Fixed Assets	(14,15,814)	(4,81,042)
Medical Assistance given to Members	(4,79,185)	(5,28,956)
Exceptional Legal Expenses	(2,05,89,806)	(3,78,30,918)
Cue Sheet making charges	(1,37,000)	(99,000)
Security Deposit Paid	(53,660)	(22,38,300)
Short Term Loan & Advances Realised	1,99,542	42,658
Increase / (Decrease) in Other Current Liabilities	1,70,43,185	(1,15,14,987)
Payment to Employees and Administration Expenses	(20,19,56,867)	(12,57,90,238)
Net Cash from Operating Activities (A)	16,71,57,765	1,43,08,861
(B) CASH FLOW FROM INVESTING ACTIVITY		
Interest Received on Investments	97,10,411	1,40,40,940
Net Cash used in Investing Activities (B)	97,10,411	1,40,40,940
(C) CASH FLOW FROM FINANCING ACTIVITIES	-	-
Net Cash used from Financing Activities (C)	-	-
Net Increase/(Decrease) in Cash & Cash Equivalent (A+B+C)	17,68,68,176	2,83,49,801
Opening Balance of Cash and Cash Equivalent	14,72,23,391	11,88,73,591
Closing Balance of Cash and Cash Equivalent	32,40,91,567	14,72,23,391

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

Per our report of even date attached to the Financial Statement

For R.K.KHANNA & ASSOCIATES
Chartered Accountants

(Firm Registration No. 105082W)

Sd/-
MOHAMMED OBAID ANSARI
Partner

Sd/-
JAVED AKHTAR
Director

Sd/-
AASHISH REGO
Director

Sd/-
RAJINDER SINGH PANESAR
Director

Sd/-
VIKRAM MEHRA
Director

(Membership No. 116304)
Place : Mumbai ;
Date : 28th September, 2018

Sd/-
SAHITHI CHERUKUPALLI
Director

Sd/-
MANDAR THAKUR
Director

Sd/-
G. V. PRAKASH KUMAR
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 2018

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, the Company was required to get itself registered under Chapter VII of the Act, by 21st June, 2013. The Company had applied for registration, but the same was not considered. The Company 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. As such, the Company has been exercising and enforcing on behalf of its members all their rights and remedies and issuing Licences and collecting Licence fees/Royalty under Section 30 of Copyright Act, 1957, by virtue of Assignment Deeds executed by its Members.

In the light of the provisions of the Copyright Act, 1957 as amended by the Copyright (Amendment) Act, 2012, the Company adopted and duly approved a new set of Articles of Association of the Company with effect from 9th February 2017. Then, the Company, vide its letter dated 30th May 2017, requested the Ministry to re-examine and revive the application dated 8th May 2013 and grant registration in favour of the Company as a Copyright Society with effect from the date of the registration so granted.

On 28th November 2017, an Interim Registration Certificate, as a Copyright Society, was issued to the Company by the Registrar of Copyrights, on the direction of the Central Government, subject to certain conditions being fulfilled. The Company had fulfilled the conditions imposed in the said interim Registration Certificate and the Registrar of Copyrights on further direction of the Central Government has issued a Registration Certificate on 8th June 2018, in suppression of, and in continuation to, the interim Certificate issued on 28th November 2017. The Company is now a Registered Copyright Society under Sub-section (3) of Section 33 of the Copyright Act, (14 of 1957) to carry on issuing or granting licences in respect of Musical Work and Literary Work Associated with Musical Work.

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 Property, Plant & Equipment 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.

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 Property, Plant & Equipment :

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

2.7 Foreign Currency Translation :

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

2.8 Investments :

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.

THE INDIAN PERFORMING RIGHT SOCIETY LIMITED

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.

	31 st March 2018		31 st March 2017	
	Rupees	Rupees	Rupees	Rupees
NOTE NO. 3 <u>LONG TERM LIABILITIES</u>				
Advances Received		22,29,080		22,29,080
NOTE NO. 4 <u>LONG TERM PROVISIONS</u>				
Provision for Employee Benefits :				
Contribution for Gratuity Scheme*		92,99,048		5,25,602
Provision for Exceptional Legal Expenses				
Opening Balance	2,05,89,806		3,38,59,507	
Add : Additions during the year			2,45,61,217	
Less : Exceptional Legal Expenses incurred	(2,05,89,806)		-(3,78,30,918)	2,05,89,806
		92,99,048		2,11,15,408

*Provision for Gratuity Scheme includes enhanced liability which has arisen during the year because of the variation made in The Indian Performing Right Society Employees Group Gratuity Assurance Scheme, effective 1st June 2017; pursuant to the resolution passed on 11th August 2016 at the meeting of the Governing Council of the Company.

	31 st March 2018		31 st March 2017	
	Rupees	Rupees	Rupees	Rupees
NOTE N O. 5 <u>ROYALTIES TO MEMBERS</u>				
Royalties to Members [#]		1,06,64,55,329		87,28,09,731

#Out of License Fees collected during the year, ₹6,87,12,141 collected for webcasting / streaming and ₹2,31,89,131 collected for Synchronization have been distributed without making any deduction for administration expenses.

THE INDIAN PERFORMING RIGHT SOCIETY LIMITED

	31 st March 2018		31 st March 2017	
	Rupees	Rupees	Rupees	Rupees
NOTE NO. 6				
<u>OTHER CURRENT LIABILITIES</u>				
Sundry Creditors		1,91,20,379		76,07,526
Value Added Tax		(47,214)		20,46,643
Goods & Service Tax Payable		20,10,023		-
Tax Deducted at Source Payable		75,26,193		19,12,027
		2,86,09,381		1,15,66,196
NOTE NO. 7				
<u>SHORT TERM PROVISIONS</u>				
Provision for Income Tax		1,43,00,660		1,44,89,659
Provision for Employee Benefits		44,97,539		39,97,853
		1,87,98,199		1,84,87,512

THE INDIAN PERFORMING RIGHT SOCIETY LIMITED

**NOTE NO. 8
TANGIBLE ASSETS**

Description of Assets	Rate of Depreciation	COST						DEPRECIATION / AMORTIZATION				NET VALUE	
		As at 01-4-2017	Additions during the year	Deletion During the year	As at 31-3-2018	As at 01-4-2017	During the year	Adjustments	As at 31-3-2018	As at 31-3-2018	As at 31-3-2017		
	%	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	
Office Premises	5.00	2,85,92,714	-	-	2,85,92,714	73,36,181	-	-	73,36,181	2,12,56,533	2,12,56,533		
Electrical Fittings	13.91	9,43,354	-	-	9,43,354	5,00,599	-	-	5,00,599	4,42,755	4,42,755		
Furniture & Fixtures	18.10	42,44,277	2,56,680	2,78,597	42,22,360	18,97,156	-	1,89,995	17,07,161	25,15,199	23,47,120		
Air Conditioners	13.91	9,96,063	-	49,650	9,46,413	1,03,973	-	19,150	84,823	8,61,590	8,92,090		
Typewriters	13.91	24,156	-	24,156	-	21,212	-	21,212	-	-	2,944		
Computers	40.00	79,05,779	8,55,143	14,54,568	73,06,354	23,45,966	-	18,59,689	4,86,227	68,20,077	55,59,813		
Office Equipments	13.91	24,56,974	65,770	6,40,332	18,82,412	5,43,801	-	2,31,440	3,12,361	15,70,052	19,13,173		
Facsimile Machine	13.91	43,748	-	43,748	-	23,189	-	23,189	-	-	20,559		
EPABX	13.91	2,85,790	-	-	2,85,790	-	-	-	-	2,85,790	2,85,790		
Xerox Machine	13.91	82,742	-	82,742	-	49,146	-	49,146	-	-	33,596		
Total		4,55,75,598	11,77,592	25,73,792	4,41,79,398	1,28,21,224	-	23,93,822	1,04,27,403	3,37,51,995	3,27,54,374		
Previous Year's Figures		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	3,51,47,600		

**NO. 9
INTANGIBLE ASSETS**

Description of Assets	Rate of Depreciation	COST			DEPRECIATION / AMORTIZATION				NET VALUE		
		As at 01-4-2017	Additions during the year	Deletion During the year	As at 01-4-2017	During the year	Adjustments	As at 31-3-2018	As at 31-3-2018	As at 31-3-2017	
	%	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	
Software	40.00	93,64,492	2,45,000	2,87,150	93,22,342	30,07,852	-	2,650	30,05,202	63,17,140	63,56,640
Total		93,64,492	2,45,000	2,87,150	93,22,342	30,07,852	-	2,650	30,05,202	63,17,140	63,56,640
Previous Year's Figures		93,64,492	-	-	93,64,492	30,07,852	-	-	30,07,852	63,56,640	63,56,640

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	31 st March 2018		31 st March 2017	
	Rupees	Rupees	Rupees	Rupees
NOTE NO. 10				
<u>NON CURRENT INVESTMENTS</u>				
Bank Deposits *				
with more than 12 months maturity		14,90,451		14,90,451
Investments in Mutual Funds (Unquoted)				
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
		70,31,90,934		70,31,90,934

*A Bank Deposit of ₹14,90,451 (last year ₹14,90,451 included herein has been given as Security against Overdraft Account with Bank of India as referred to in Note No. 12.

**These are under 'Dividend Reinvestment Scheme'

*** Maturity proceeds of these Investments have been released in favour of Directorate of Enforcement after 30th June 2015.

#These Investments have been transferred in the name of Directorate of Enforcement after 30th June 2015.

NOTE : The Investments in Mutual Funds amounting to ₹ 70,17,00,483/- as on 30th June 2015, 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.

THE INDIAN PERFORMING RIGHT SOCIETY LIMITED

	31 st March 2018		31 st March 2017	
	Rupees	Rupees	Rupees	Rupees
NOTE NO. 11				
<u>LONG TERM LOANS AND ADVANCES</u>				
Security Deposits		9,96,392		9,42,732
Other Deposits		22,38,300		22,38,300
		32,34,692		31,81,032
NOTE NO. 12				
<u>CASH AND CASH EQUIVALENTS</u>				
Cash in Hand		1,90,451		2,72,586
Cash at Banks*		32,39,01,116		14,69,50,805
		32,40,91,567		14,72,23,391
*Cash at Bank includes a positive balance of ₹1,29,31,764 (last year ₹2,93,51,048) in an Overdraft Account with Bank of India.				
NOTE NO. 13				
<u>SHORT TERM LOANS AND ADVANCES</u>				
Loans and Advances		7,34,717		9,28,111
Other Dues		4,06,612		4,12,761
		11,41,329		13,40,872
NOTE NO. 14				
<u>OTHER CURRENT ASSETS</u>				
Accrued Interest		8,47,292		7,19,031
Tax Deducted at Source		9,28,85,223		7,05,52,667
		9,37,32,515		7,12,71,698

THE INDIAN PERFORMING RIGHT SOCIETY LIMITED

	2017-18		2016-17	
	Rupees	Rupees	Rupees	Rupees
NOTE NO. 15				
<u>LICENCE FEES</u>				
Performing Right License Fees :				
Domestic :				
Broadcasting - Radio - FM	24,75,000		53,31,455	
Broadcasting - Television	1,40,000		3,00,000	
Public Performance	34,36,01,402		30,61,95,019	
Webcasting/Streaming	7,49,62,141	42,11,78,543	-	31,18,26,474
Overseas :				
Affiliated Societies		45,63,601		64,96,905
Synchronisation Right License Fees :				
Synchronisation		2,31,89,181		--
Performing Right for Synchronisation		89,09,333		1,23,50,336
		45,78,40,658		33,06,73,715
NOTE NO. 16				
<u>EMPLOYEE BENEFIT EXPENSES</u>				
Salaries and Bonus		6,56,72,050		6,12,96,144
Contribution to Provident Fund		33,14,195		30,85,602
Contribution to Employees' State Insurance Corporation		6,04,296		4,31,577
Contribution to Employees' Group Gratuity Assurance Scheme		89,00,958		2,80,909
Contribution to Employees' Group Superannuation Scheme		29,54,784		26,69,328
Staff Welfare Expense		23,66,655		20,90,973
		8,38,12,938		6,98,54,533

THE INDIAN PERFORMING RIGHT SOCIETY LIMITED

	2017-18		2016-17	
	Rupees	Rupees	Rupees	Rupees
NOTE NO. 17				
<u>OTHER EXPENSES</u>				
Rent, Rates & Taxes		22,80,397		19,12,954
Legal Expenses	6,92,50,037		6,74,76,083	
Less : Exceptional Legal Expenses expended out of Provision for Exceptional Legal Expense	(2,05,89,806)	4,86,,60,232	(3,78,30,918)	2,96,45,165
Travelling Expenses		1,05,04,027		70,17,185
Insurance		1,23,338		1,49,988
Repairs, Renewals & Maintenance		15,31,292		15,24,325
Electricity		14,04,444		13,17,291
Auditors' Remuneration				
For Statutory Audit	9,00,000		10,35,000	
For Income Tax Matters	7,50,000		15,09,500	
For Other Services	267,250	19,17,250	82,615	26,27,115
Directors' Fees		10,74,000		19,66,501
Society Charges		67,978		73,762
Professional Fees		1,10,48,943		94,94,713
Conveyance		57,40,244		48,36,735
Telephone & Facsimile		19,53,177		20,21,511
Printing & Stationery		17,07,738		12,18,680
Postage & Courier		20,38,937		18,66,258
Software Maintenance		36,67,963		32,35,687
Fees, Subscription & Grants		1,09,333		86,308
Meeting Expenses		20,12,461		24,55,223
Advertisement & Promotion		42,89,036		67,495
Office Expenses		6,94,098		6,91,335
General Expenses		3,578		30,489
Bank Charges		1,46,997		1,70,1111
Less : Finance Income	(98,38,672)		(1,41,97,800)	
Less : Income Tax for the year	25,33,458		46,94,219	
Miscellaneous Income	(1,85,700)	(74,90,914)	(1,20,500)	(96,24,081)
		9,34,84,549		6,27,84,750

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.

	2017-18	2016-17
	Rupees	Rupees
NOTE NO. 18 <u>FURTHER INFORMATION</u>		
(i) License Fees received in foreign currency	41,14,671	54,76,866
(ii) Expenditure in foreign currency on account of : Software Maintenance	27,16,122	23,79,524
(iii) Royalty remitted in Foreign Currency of Affiliated Society	--	1,16,67,570

NOTE NO. 19

DUES OF MICRO AND SMALL ENTERPRISES

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

NOTE NO. 20

LEGAL MATTERS

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

SFIO has inquired into the functioning of the Company and the requisite explanations and the required documents have been provided by the Company. The matter is pending before the SFIO. The Company believes that there are no irregularities in the affairs 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 constituted under Prevention of Money Laundering Act, vide their decision dated 22nd June 2017. Against the challenge by the Deputy Director, Directorate of Enforcement of the legality, validity and propriety of the order of the Appellate Tribunal, before the High Court of Bombay, the High Court has passed an ad-interim order staying all further proceeding qua the Company, vide this

order dated 27th February 2018. 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 order dated 16th March, 2017. An appeal against the above order, filed by the Commissioner of Service Tax before the Hon'ble Supreme Court is pending before Supreme Court.

A demand of ₹ 2,98,43,011/- similar to the one stated above has been raised against the Company towards Service Tax for the period 1st April 2010 to 31st March 2014 and penalties totaling to ₹ 30,24,301/- and late fees totaling 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 two Show Cause Notices proposing, inter alia, to raise demands by way of Service Tax totaling to ₹1,05,23,968/- relating to the period 1st April 2014 to 31st March 2015 and ₹3,44,65,955/- relating to the period 1st April 2015 to 31st March 2017, as well as consequential levies of interest and penalties. The Company has disputed the propose demand of ₹1,05,23,968/- and is in the process of disputing the demand of ₹3,44,65,955/-.

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

(iv) Some of the Broadcasting Companies who had paid License Fees in earlier years have raised claims on the Company for refund of the License Fees already paid by them, based on Delhi, Bombay and Kerala High Court Judgements. The Company has appealed against the said judgements and considers the claims of the Broadcasting Companies as non-sustainable. The amount of claim for refund of License fees is estimated at ₹31,47,14,432/-. The High Court of Delhi, vide its Order dated 18th May 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.

NOTE NO. 21
RELATED PARTY TRANSACTIONS

Sr. No.	Name of the Related Party	Relationship	Nature of Transactions	2017-18	2016-17
				Rupees	Rupees
1	Mr. Javed Akhtar	Chairman	Directors Sitting Fees	1,20,000	-
2	Mr. Aashish Rego	Director	Directors Sitting Fees	1,00,000	-
3	Mr. Anupam Roy	Director	Directors' Sitting Fees	40,000	-
4	Mr. G V Prakash Kumar	Director	Directors' Sitting Fees	40,000	-
5	Mr. Rajinder Singh Panesar	Director	Directors' Sitting Fees	1,00,000	-
6	Mr. Sahithi Cherukupalli	Director	Directors' Sitting Fees	1,20,000	-
7	Mr. Hasan Kamaal	Chairman	Directors' Fees Director's Sitting Fees Medical Assistance	- - -	7,50,000 1,10,000 2,24,800
8	Mr. Om Prakash Sonik	Director	Directors' Fees Director's Sitting Fees	- -	1,50,000 10,000
9	Mr. Om Prakash D. Kataria	Director	Director's Sitting Fees Medical Assistance	- -	1,30,000 25,000
10	Mr. Piraisudan Raju	Director	Director's Sitting Fees	-	70,000
11	Mr. Samuel Joseph	Director	Director's Sitting Fees	-	90,000
12	Mr. Ganesh Jain (representing Venus Worldwide Entertainment Pvt. Ltd.)	Director	Director's Sitting Fees	80,000	1,30,000
13	Vikram Mehra/Mr. G.B. Aayeer (representing Saregama India Limited)	Director	Director's Sitting Fees	1,20,000	1,00,000
14	Mr. Sridhar Subramaniam (representing Sony Music Entertainment (I) Pvt. Ltd.)	Director	Director's Sitting Fees	80,000	20,000
15	Mr. Devraj Sanyal (representing Universal Music Publishing Pvt. Ltd.)	Director	Directors' Sitting Fees	1,00,000	80,000
16	Mr. Mandar Thakur (representing M/s. Bennett Coleman & Company Ltd.)	Director	Directors' Sitting Fees	1,20,000	-
17	Mr. Rakesh Nigam	Chief Executive Officer	Employee Remuneration & Benefits	1,13,91,756	1,21,62,161
18	Mr. Som Sonik	Son of Director	Employee Remuneration & Benefits	-	8,87,198
19	Mrs. Sherley Singh Panesar	Director's Wife	Professional Fees	4,50,000	-

NOTE NO. 22

CONTINGENT LIABILITIES

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

- (i) ₹ 2,98,43,011/-, ₹ 1,05,23,968/- and ₹ 3,44,65,955 by way of Service Tax and related levies, as detailed in Note No. 20(iii).
- (ii) ₹ 31,47,14,432/-, by way of refund of License Fees, as detailed in Note No. 20(iv).

NOTE NO. 23

THE PRESENTATION

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

SIGNATURES TO NOTES 1 TO 23

For R.K.KHANNA & ASSOCIATES

Chartered Accountants

(Firm Registration No. 105082W)

Sd/-

MOHAMMED OBAID ANSARI

Partner

(Membership No. 116304)

Place : Mumbai ;

Date : 28th September, 2018

For and on behalf of the Governing Council

Sd/-

JAVED AKHTAR

Director

Sd/-

SAHITHI CHERUKUPALLI

Director

Sd/-

AASHISH REGO

Director

Sd/-

MANDAR THAKUR

Director

Sd/-

RAJINDER SINGH PANESAR

Director

Sd/-

G. V. PRAKASH KUMAR

Director

Sd/-

VIKRAM MEHRA

Director

NOTES



The Indian Performing Right Society Limited

208, Golden Chambers, 2nd Floor, New Andheri Link Road, Andheri (W), Mumbai 400 053.

Tel: 9122 2673 3748 / 49 / 50, 2673 6616 • Fax: 9122 26736658

Email: admin@iprsltd.com

Website: www.iprs.org