

# **The Indian Performing Right Society Limited**

## **IPRS Distribution Rules and Methods**

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## 1 Introduction

This document provides an overview of **The Indian Performing Right Society Limited (IPRS)**'s rules and methods for administering the performing and mechanical rights royalty distributions for musical & literary works. IPRS collects royalties from a range of sources on behalf of composers, authors and publishers, and this document describes how and when the royalties from each source are paid to the copyright owners. These rates and information are valid post April, 2019.

IPRS does not license and therefore does not distribute on the following music usages:

- Performances of works that are in the Public Domain
- Performances of Dramatico-Musical Works
- Grand right performances
- Performances in churches or places of worship
- Cinemas Theatres
- Speech
- Sound Effects

IPRS grants/collects licenses for the music usages on the following basis :

- **Licensed Content/Works:** IPRS grants licenses & collects 100% license fees for the licensed works i.e. where the Owner Publisher is a member and has assigned its rights to IPRS. In cases where the collection is attributed to public domain works (lyrics or composition), such collections for the public domain share will be transferred to Members Welfare Fund.
- **Authors Statutory Royalty:** IPRS collects the Authors Statutory Royalty (i.e. the equal share of royalties attributable to the lyricists and / or music composers who are members of IPRS) for works where the Owner Publisher is not a member, to the extent the composer and/or author is a member and the same is distributed to composer and / or author.

## 2 General Distribution Information

The general policy and structure for the IPRS Distribution Scheme follows the Scheme of Distribution mentioned in the Copyright Act, 1957 and Copyright Rules, 2013, and the Society's Articles of Association, specifically Articles 31 and 32. IPRS distribution policies are subject to regular review.

The Board of Directors is responsible for the formulation and implementation of specific distribution policy and is required:

- (a) to ensure that such policy is fair, accurate, transparent and cost effective; and
- (b) to put in place a system to ensure that the data used to support the allocation of royalties is, and continues to be, based on statistically reliable sources that fairly represent the usage of musical & literary works in India.

The Board of Directors has delegated practical oversight of this responsibility to the Distribution Committee, a sub-committee of the IPRS Board.

IPRS also aims to ensure that all aspects of its distribution policies and processes are transparent and easily understood, with clear cost allocations and without any unknown or hidden cross-subsidies.

IPRS requires usage data to identify which works have been used, and therefore which rights-holders to pay. In some cases, licensees are not able to provide complete and accurate music usage data or supply it in a format that IPRS can process.

In many instances, the principles of fairness, accuracy, cost effectiveness and transparency are opposing forces. For example, in some situations it might cost more to achieve 100% data accuracy and process details of every individual performance than the total revenue actually collected. In such cases, cost effective methods of data collection and analysis are developed to provide statistically representative information about music use.

Where IPRS enters into settlement arrangements for past usage of IPRS repertoire, the distribution of such amounts not supported by logs shall be as per the Addendum/s to this Policy. All settlements for Indian Works entered by IPRS for past usage which are without any usage data/logs from Digital Service Providers of IPRS repertoire will be distributed on analogy, basis the view counts and / or revenues for per play basis as available to

its author / composer member and as settlement to owner publishers who have not licensed and or collected royalties from such DSP's.

The distribution committee ensures a balance between these principles to provide the greatest value to all rights-holders represented by IPRS.

The Society has become a member of BIEM and met its standard for the administration of mechanical rights.

Royalties for members of affiliated societies are calculated in every respect on the same basis as allocations to IPRS members. The mechanical rights administered by the society for Non-Indian works will be to the account of the concerned music publisher and / or Collective Management Organizations (CMO's), provided that the said author composer is not a member of the company as mentioned in the Articles of Association of the society under clause 31(i). The Board endeavours to comply with the Binding Resolutions and Best Practices of the International Confederation of Societies of Authors & Composers (CISAC) related to principles governing the fair and equitable distribution of royalties.

## 2.1 Distribution Frequency

IPRS distributions are made a minimum 4 times a year, in June, September, December and March for the revenues collected in the previous Indian fiscal 1<sup>st</sup> April to 31<sup>st</sup> March. Each distribution contains various components (e.g. Radio, TV). The distribution cycles for most, but not all, major revenue sources are shown below. The Distribution frequency (i.e. months, quarter) as mentioned below, may change as per the availability of the logs i.e. census / analogy.

<b>Sr. No.</b>	<b>Particulars</b>	<b>Distribution</b>	<b>Distribution for Period</b>
1	Radio Distribution	September / December	1 <sup>st</sup> April-31 <sup>st</sup> March
2	Television Broadcasting	September / December	1 <sup>st</sup> April-31 <sup>st</sup> March
3	Permits - Live Performance (Domestic & International)	September / December	1 <sup>st</sup> April-31 <sup>st</sup> March
4	General Licenses - Hotels, Restaurant, Gyms, Discos, etc.	September & December	1 <sup>st</sup> April-31 <sup>st</sup> March
5	Airlines	September / December	1 <sup>st</sup> April-31 <sup>st</sup> March
6	Commercial – Synchronization	June/September / December	1 <sup>st</sup> April-31 <sup>st</sup> March
7	Internet /DSP	Every quarter / Yearly, as applicable	1 <sup>st</sup> April-31 <sup>st</sup> March and also for current year
8	Royalties from affiliate societies	March	1 <sup>st</sup> April-31 <sup>st</sup> March
9	Royalties to affiliate societies	Every quarter (depending on royalty accrued to Affiliate Societies)	1 <sup>st</sup> April-31 <sup>st</sup> March
10	Reproduction and Synchronization Rights income from Indian works* *Note: under authors' "Right to Royalties" clause in the Indian Copyright Act, 1957	June/September &/or December	1st April-31 <sup>st</sup> March

## 2.2 Distribution Methodology

This document gives a comprehensive view of where each distribution method is used across the range of IPRS's revenue streams.

For IPRS to make a distribution, 2 key elements are required:

- **Royalty:** The revenue collected from licensed users of music
- **Data:** Music usage information from the licensed user



Licensees are required to report the musical & literary works that they have used e.g. played on radio or at a live concert, etc. to IPRS. This data is brought into IPRS's Distribution System and matched against the worldwide repertoire of works held on the IPRS database. IPRS identifies the copyright owners of each musical & literary work using this information together with information provided by its members and affiliate societies and calculates the royalties due.

IPRS endeavors to pay royalties directly on the basis of the actual musical & literary works performed or reproduced. IPRS uses the following methods to distribute royalties in an equitable manner:

#### **2.2.1 Census**

A census distribution involves collection of accurate music usage data, matching, processing and payment for every single performance within the licence period. This is the preferred basis for distribution. Royalties received from an individual customer are distributed 100% across the music used and reported by that customer. Where music usage data provided by the user is inaccurate/uncertain as to the usage of content logs for such license fees / royalty collection, in such case/s distribution shall be made on basis of analogies.

#### **2.2.2 Sample**

This method is effective only when (a) music usage is highly repetitive or there is a small breadth of total repertoire used and (b) a Society can collect statistically relevant sample information cost effectively. IPRS does not use the method of Sampling with an exception for 3.1.11 to process their revenue for distribution.

#### **2.2.3 Analogies**

If sufficient data is not readily available, an analogy-based distribution method is used. Using this method, royalties are distributed using statistically valid data which reflects current patterns of music use. The data is not obtained directly from the licensee. The type of data which is used can include representative surveys, music sales chart, broadcaster transmission logs, etc.

If and where a licensee fails to supply usage data at the correct time to enable IPRS to make a distribution of the royalties received from that licensee, IPRS will hold the royalty revenue until such time as it has obtained the relevant data. If, after having taken reasonable steps to do so, IPRS is still unable to obtain the data from the licensee, IPRS reserves the right to distribute the revenue on the basis of analogous data.

#### **2.2.4 Survey**

This is where royalties are distributed by reference to a representative survey of music.

### **Other Methodology**

No other methodology is used by IPRS.

## **2.3 Data Processing Thresholds**

Licensees such as radio broadcasters, television broadcasters, Digital Service Providers (DSPs), are required to provide performance data for music usage. Data is provided by the licensee in electronic format. Upon entry to the distribution system, all data is run through a process known as auto-matching, i.e. where the system attempts to match the usage data to information held within IPRS's repertoire database. Where auto-matching fails, usages will be matched manually by searching the works in the IPRS database. Where manual matching fails, works will be placed under the unmatched category.

Any processing thresholds which are applied are detailed in the relevant section within this document.

## **2.4 Distribution Basis**

Distribution is done through sections. A distribution section is a pool of revenues that have been collected from one or more sources and distributed together because they are related in some way. For example, the live performance section may cover music performed live in different sorts of venues, such as hotels, pubs or concert halls. These venues may have different licensing tariffs but are pooled together for distribution purposes because they all cover live music use.

### **2.4.1 Point values**

In order to distribute royalties, a value per usage needs to be calculated. There are 2 different methods of calculating this value:

#### 2.4.1.1 Duration basis

IPRS does not calculate usage on the basis of Duration.

#### 2.4.1.2 Per Play Basis

The net royalty for a distribution section is split equally across all featured musical & literary works which are performed. For example:

Total net royalty paid by "Promoter 1" for an event	INR 60,000
Total number of songs performed on the set-lists at that event	20
Point Value (Value per play) - i.e. Total net royalty ÷ Total number of songs	INR3,000

#### 2.4.2 Weightings

IPRS does not apply Weightings except for Television (as mentioned in point 3.2.2) and Audio-Visual platforms which stream feature films, serials and OTT originals.

#### 2.5 Costs

Distributable revenue is calculated by subtracting from IPRS' gross revenue, subject to statutory limits prescribed in the Copyright Rules:

- a) the expenses of and incidental to the conduct, management and operation of IPRS; and
- b) monies applied by the Board for specific purposes (art. 32 of the Articles of Association)

#### 2.6 Distribution Payment Thresholds

In the absence of specific notification of contractual agreement to the contrary the shares of a musical & literary work are allocated as follows:

##### (a) Original Self Published Works

###### (i) Composition with lyrics:

- Composer or composers 50%
- Lyricist or lyricists 50%

###### (ii) Composition without lyrics (or with non-copyright lyrics):

- Composer 100%

###### (iii) Non-copyright composition with copyright lyrics:

- Lyricist 100%

##### (b) Original Published Works

###### (i) Composition with lyrics:

- Composer or composers 25%
- Lyricist or lyricists 25%
- Publisher/s 50%

#### 2.7 Distribution of Adaptations and Arrangements of Works

For uses of an adaptation of a copyright musical & literary work, IPRS will not allocate a share to the adapter or arranger unless notified of the agreement by the copyright owners.

Where an authorized translation of copyright lyrics is made, or lyrics are changed or substituted with the authority of the copyright owner, shares are allocated as follows (subject to contractual agreement):

	Original Work	Translated Work
Composer	25%	Not less than 12.5% to the

		original composer (i.e. 50% of the original work)
Author	25%	Not less than 12.5% to the original author (i.e. 50% of the original work)
Translator		as per contract (not exceeding 50%)
Publisher (Original/Sub)	50%	50% (not exceeding 50%)

Where an authorized arrangement or adaptation of copyright music is made with the approval of the original copyright owners, shares are allocated as follows (subject to contractual agreement):

	Original Work	Adapted/arrangedWork
Composer	25%	Not less than 12.5% to the original composer (i.e. 50% of the original work)
Author	25%	Not less than 12.5% to the original author (i.e. 50% of the original work)
Adapter/Arranger		as per contract (not exceeding 50%)
Publisher (Original/Sub)	50%	50% (not exceeding 50%)

Where the original lyrics are non-copyright, translated or substituted lyrics are handled as if there were original copyright lyrics.

Where there is doubt or where it is impossible to establish which version has been used, all royalties shall be distributed to the rights holders of the original work. The sub-lyricist, arranger or sub-arranger is entitled to receive a share of royalties only if the authorized adaptation/arrangement is known to be used.

The above allocation will not apply where a musical & literary work is licensed for use in an advertisement and new or substantially new lyrics or music are used in the advertisement, the parties may agree that the new lyricist/composer's share of income be waived in favor of the original authors. IPRS will in such circumstances recognize and abide by such agreement notified to it.

## 2.8 Insufficient Documentation

Where a usage has been matched to a work which had insufficient documentation, i.e. not all rights holders are identified, IPRS will distribute the work according to CISAC's "Insufficient Documentation" rule. There are two potential scenarios:

- If one of the rights holders is identified as a member of an affiliate society, IPRS will forward all royalties for that work to the affiliate society who will distribute according to their documentation. The affiliate society in return will provide IPRS with correct documentation for the work so that the IPRS can distribute correctly in the future.
- If one of the rights holders is identified as a member of IPRS, then the royalties for the work are kept on hold and IPRS will contact the member for documentation for the work.

## 2.9 Unidentified Uses

IPRS uses its best efforts to identify all works appearing in its distribution analysis. Unidentified uses are reported music usages which cannot be matched to any documented works by IPRS. This may be due to reasons such as those listed below:

- E.g. Insufficient or inaccurate information received from users
- E.g. The interested parties are identified as not being members of a society
- E.g. Cue sheets for the film/programme could not be sourced by the society
- E.g. Unmatched arrangements of public domain works

As no rights holders are identified, these uses cannot be distributed via the "Insufficient Documentation Rule". Unidentified uses are placed on IPRS's unidentified uses database which is available in IPRS's Special Account and the royalties are kept on hold. This data is circulated to affiliated societies for information. Members and affiliate societies have three years from the date of the original distribution to claim unidentified uses. No interest accrues

or is paid to the interested parties. Royalties which are on hold and not claimed within the 3-year period are added back to the distribution pool. However, if there is a claim by a member within the three years period, then such member will be paid the royalties.

## 2.10 Undistributed Shares

An undistributed share is: a) the portion of a work for which royalties are withheld because of insufficient documentation; b) or none of the rights holders in a work can be identified and shares for the entire work are withheld. These undistributable shares are kept on hold.

Undistributed shares are reviewed every six months by IPRS in an effort to identify the rights holders. Any rights holder identified during this process will be paid the undistributed share in the next distribution. Amount which are kept on hold and not claimed within the 3-year period are added back to the distribution pool. However, if there is a claim by a member within the three years period, then such member will be paid the royalties.

## 2.11 Non Member Shares

A non-member is an individual who is not a member of any Performing and Mechanical Rights Society. Generally, no share is payable in respect of non-member interests as the Society does not collect any share for non-members (as stated in Clause 1). However, the share of non-members is generated when the Society grants license for the licensed work. Such logged royalties will be held for a maximum of three years or until the non-member becomes a member or as per the decision of the Distribution Committee & Board of Directors to distribute such monies held on account of the non-member: only then will the amount held be released. If the non-member does not become a member by the end of three years, the non-member royalties will be returned or added back to the distribution pool. However, if a non-member becomes a member within the three years period, then such non-member will be paid the royalties.

For non-Indian works, the non-member share is paid to the affiliated society in the territory if identified as per the Society's decision.

## 2.12 Debit/Credit Payment Adjustments

Where a work or share has been paid incorrectly to a member, or an affiliate member, a debit/credit adjustment will be processed by IPRS.

Debit/credit adjustments for IPRS members will only be processed against works or shares which featured on distribution statements issued within the previous three years. IPRS applies a threshold of INR100 after the deduction of tax to debit/credit adjustments for members as the expense of processing adjustments below this value would outweigh the value of the adjustment. In the case of Non-resident Indian members (NRI), tax will be deducted / withheld as per applicable law.

Debit/credit adjustments for affiliate members will only be processed against works or shares which featured on distribution statements issued within the previous three years. IPRS applies a threshold of INR5,000 after the deduction of tax to debit/credit adjustments for members as the expense of processing adjustments below this value would outweigh the value of the adjustment. If the Affiliate Member has a Permanent Account Number (PAN) in India, tax will be deducted / withheld as per applicable law; if the Member produces a Tax Residency Certificate, tax will be deducted / withheld as per applicable law; if none of these is furnished, then Tax will be deducted / withheld at a higher rate as per applicable law.

## 2.13 Non-Licence Revenue

Non-license revenues comprise the following:

- interest earned on royalties awaiting distribution
- investment income
- membership fees

This revenue is not allocated for distribution but is used to cover the Society's administrative/capital/deferred expenses or for utilization towards financial aid to members.

## 2.14 Disputes and Counter claims

2.14.1. A counterclaim occurs where one or more members dispute the ownership of a musical & literary work. In line with international best practice, IPRS's procedure for counterclaims in relation to the ownership of musical & literary works is as follows:

2.14.2. Where a new rights holder's claim conflicts with an existing rights holder's claim, the new and the existing rights holders will be required to submit the documentation supporting their claim. All royalties relating to the works in question will be kept on hold under conflict and no royalty will be paid to either parties till such time the conflict is not resolved.

2.14.3. If supporting documentation is received from the new claimant, then the original claimant has 180 days to provide counter-evidence. During these 180 days or till the conflict is resolved amicably / legally, all royalties relating to the work will be kept on hold. IPRS shall only keep on hold the share which is in dispute.

2.14.5. IPRS will not make on judgement regarding the value of the supporting documentation, but rather will check that information such as; term dates, territory, specific works/limitation of repertoire and that documents are signed and dated by all rights holders is included within the documentation.

2.14.6. If both claimants maintain a claim and can supply supporting documentation, then either claimant can request IPRS to have the works placed into dispute.

2.14.7. Once works are placed into dispute, IPRS will require the claimants to take the works out of dispute by a court order / judgement or mutual settlement between the parties.

2.14.8. Credits held in IPRS' account pending resolution of an ownership dispute will only be released for payment on proper notification of the dispute's resolution. No interest shall accrue nor shall IPRS be liable to payinterest to the disputing parties on such amounts.

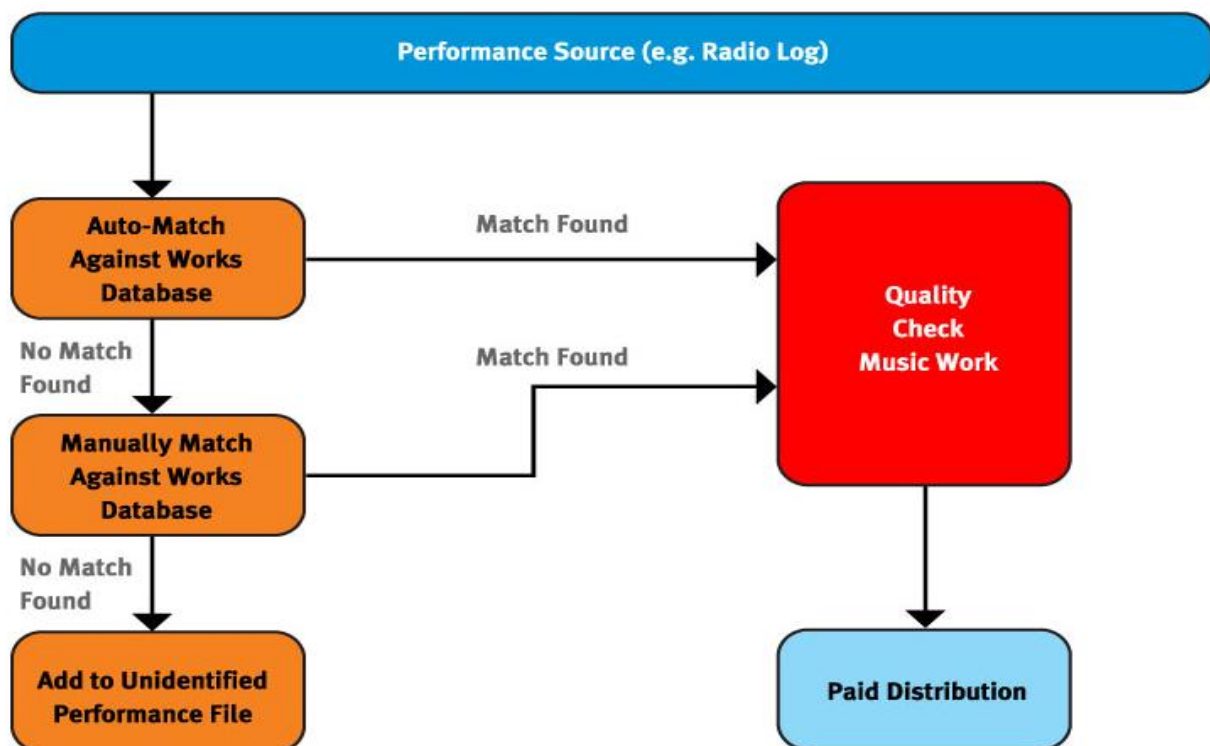
### 2.15 Distribution Policy Review

IPRS distribution policies are reviewed on a yearlybasis and with every introduction of new monitoring technologies and data processing capabilities.

## 3 Broadcast Royalties

The distribution method and basis for this particular distribution pool is detailed under the relevant section below. The below table summarizes the methods used for broadcast distributions:

The distribution process for broadcast royalties is as follows:



During the Manual-match process, IPRS checks the Regional Mis@Asia system and CIS-Net for identification of songs/ audio visual works or may use external services for this purpose.

### 3.1 Radio

Please note the following concepts which help ensure the way we distribute revenue to members is fair, accurate and transparent.

- Commercial licensee blanket revenues that cover more than one radio station are distributed on a census basis as per the licensed value of each station.
- No distinctions are made between music used in programs, commercials, station/channel ids, jingles or trailers.

#### 3.1.1 Revenue Split

Radio broadcasters are granted a blanket license which grants them permission to use all licensed repertoire without seeking prior approval.

A list of licensed radio stations, with details of their distribution method, basis and frequency, can be found in the Appendix.

#### 3.1.2 Weighting: Radio

IPRS collects for all identifiable music and does not apply weightings for Radio broadcasting music: all music receives a full credit per work play.

##### 3.1.2.1 Feature Performances

IPRS does not distribute the category separately.

##### 3.1.2.2 Non Feature Performances

##### Theme Music

IPRS does not distribute the category separately.

##### Background Music

IPRS does not distribute the category separately.

##### Jingle Music

IPRS does not distribute the category separately.

#### 3.1.3 National Radio – General

Music is licensed to radio networks on “per station” basis, without differentiating between national, regional or local stations, however, their licensed rates differ with the category of cities i.e. the license fees is higher in the metro cities than the small cities. Each station is required to return complete broadcast logs to “IPRS”. These logs are processed in their entirety by the society on a census basis and royalties are calculated on a per play basis and distributed once a year.

#### 3.1.4 National Radio – Advertising

Included in the radio category.

#### 3.1.5 Regional Radio – General

Included in the radio category.

#### 3.1.6 Regional Radio – Advertising

IPRS does not collect or distribute the category.

#### 3.1.7 Local Radio – General

Included in the radio category.

### 3.1.8 Local Radio – Advertising

IPRS does not collect or distribute the category.

### 3.1.9 Digital Radio – General

Included in the radio category.

### 3.1.10 Digital Radio – Advertising

IPRS does not collect or distribute the category.

### 3.1.11 Community/College Radio

No logs are provided by these category. Revenue from these category is distributed on a pro-rata basis across the main radio pool.

## 3.2 Television

### 3.2.1 Revenue Split

Television broadcasters are given blanket licenses which grants them permission to use licensed repertoire without seeking prior approval. General music data for television broadcasters is analysed on a census basis and royalties are calculated on a per play basis.

A distinct “general music” distribution pool is set up for broadcaster/s and each of its channels is required to return complete transmission logs to “IPRS”. These logs are processed in their entirety by the society and royalties received from the channel are distributed once a year across these logs. In the absence of complete transmission logs submitted by the broadcaster/s, IPRS shall on a best efforts basis procure the Channel Programming Logs from third party monitoring agencies like BARC, etc., in order to facilitate the distribution of royalties as efficiently as possible under such circumstances. Such programming logs will enable in identifying the serials/movies played in the various broadcasting channels.

The license revenue from television is split between programming and advertising on the following basis:

- **100%** of net revenue is distributed to the music used in general programming.
- The license granted excludes the music used in advertising, which is to be paid separately by the advertiser. The license granted also excludes the music used in promotional activities/program carried by the channel.

### 3.2.2 Weightages

IPRS applies weightages for Television broadcasting music between Feature music (Songs) and Background Music.

The Weightage Ratio applied between Feature Music (Songs) and Background Music is as follows :

- For a period of 3 years commencing from April 2022 to March 2025, the weightage ratio between Feature Music (Songs) and Background Music will be 1:6 (i.e. 1 Minute for a Song is 6 Minutes for a Background Music) based on usage of work. This will be applicable for all pending distributions prior to April 2022 and collections made during the period April 2022 to March 2025
- After 3 years i.e. from April 2025 onwards the weightage ratio will be based on the change (increase/decrease) in annual Income/turnover of IPRS as mentioned below:
  - for every Rs.100 crore increase in IPRS Income beyond the Income of FY 2024-25, the weightage ratio will change by 1 point favoring/to the benefit of Background Music with a maximum weightage ratio of (will not go below) 1:2 (this is explained by way of an illustration under Section 9-Appendix - Table 4)
  - where the Income in any of the subsequent years to FY 2024-25 decreases by Rs.100 crore compared to its previous year, the weightage ratio for such subsequent year will revert back to relevant ratio corresponding to such decreased Income (this is explained by way of an illustration under Section 9-Appendix-Table 5). However, the minimum weightage ratio will remain/will not go above at 1:6

The Methodology for distributing past settlement amount pertaining to the period upto 31<sup>st</sup> March 2018 from TV Broadcasters will be as per the Addendum to the Distribution Policy passed in the AGM of December 2020 and the Amendment to the Addendum passed in the AGM of December 2021.

#### 3.2.2.1 Theme Music

IPRS does not distribute the category separately.

#### 3.2.2.2 Feature Music

Feature music is music which is the focal point for audience falling into one or more of the following categories:

- (a) music which is performed by, or represented on screen as being audible to one or more of the characters in the scene portrayed;
- (b) music performed in video clips;
- (c) music performed in association with choreographed dance sequences.

Feature music shall receive a full credit per play.

#### 3.2.2.3 Background Music

IPRS will distribute this category separately.

#### 3.2.2.4 Logo Music

IPRS does not distribute the category separately.

#### 3.2.3 National Television - General

<b>License Type</b>	B - Annual Blanket	<b>Distribution Method</b>	Census
<b>Number of Channels</b>	-	<b>Distribution Basis</b>	Per Play
<b>Distribution Frequency</b>	Once a year	<b>Processing Threshold</b>	None

IPRS does not categorize Television into sub-categories such as National, Regional or Local Television.

#### 3.2.4 National Television–Advertising

IPRS currently collects the category separately from the advertiser and distributes on a per license basis.

#### 3.2.5 Local Television - General

Categorized by IPRS as Television.

#### 3.2.6 Local Television – Advertising

IPRS does not collect or distribute the category

#### 3.2.7 Television Other

IPRS does not collect or distribute the category

#### 3.3 Domestic Cable Television

##### 3.3.1 Domestic Cable Television General - Primary Transmission

Categorized by IPRS as Television.

##### 3.3.2 Domestic Cable Television Advertising – Primary Transmission

IPRS does not collect or distribute the category.

#### 3.4 Non-Domestic Cable Retransmission

IPRS does not collect or distribute this category.



### 3.5 Cinema

IPRS does not collect from this source because “communication to the public of a musical & literary work along with the cinematograph film in a cinema hall” is exempted from performing royalties under the Indian Copyright Act 1957, Article 18.1.

However, IPRS collects performing royalty for the performance of music outside the film, in which case cinemas are included in the “mall” category.

#### 3.5.1 Cinema – Film Revenue

IPRS does not collect or distribute this category as the same is not permitted under Indian Law.

##### 3.5.1.1 Theme Music

IPRS does not collect or distribute this category as the same is not permitted under Indian Law.

##### 3.5.1.2 Feature Music

IPRS does not collect or distribute this category as the same is not permitted under Indian Law.

##### 3.5.1.3 Background Music

IPRS does not collect or distribute this category as the same is not permitted under Indian Law.

##### 3.5.1.4 Logo Music

IPRS does not collect or distribute this category as the same is not permitted under Indian Law.

#### 3.5.2 Cinema Advertising

IPRS does not collect or distribute this category as the same is not permitted under Indian Law.

### 4 Live Royalties

IPRS collects revenue for live public performances in various venues under a number of different tariffs. For live concerts IPRS endeavours to pay royalties based on actual data and based on the works performed. IPRS apportions the royalties equally to each song on the set list.

#### 4.1 Invoiced Pop Concerts

IPRS collects and distributes this category under Live Events category.

<b>License Type</b>	D - SpecificEvent	<b>Distribution Method</b>	Census
		<b>Distribution Basis</b>	Per Play
<b>Distribution Frequency</b>	Once aYear	<b>ProcessingThreshold</b>	Play List

IPRS collects revenue for all live events / pop concerts.

Set lists are sourced from promoters, and affiliate societies. Only works actually performed live, i.e. listed as part of the performer’s set list are distributable. Once the invoice has been paid and the set list has been sourced, royalties are paid to the right-holders of the works. Revenue is divided evenly between all songs performed at the event. Where IPRS is unable to source the set list from the promoter, it will then seek the list from secondary sources, e.g. sister societies, internet research, etc. If IPRS has been unable to source a set list for the event, royalties are distributed via the “General Live Events” pool.

#### 4.2 Invoiced Classical Concerts

IPRS collects and distributes this category under Live Events category.

<b>License Type</b>	E – Specific Event	<b>Distribution Method</b>	Census
		<b>Distribution Basis</b>	Per Play
<b>Distribution Frequency</b>	Once a Year	<b>Processing Threshold</b>	Play List

IPRS collects revenue from promoters for invoiced classical concerts.

Set lists are sourced from promoters, and affiliate societies. Only works actually performed live, i.e. listed as part of the performer's set list are distributable. Once the invoice has been paid and the set list has been sourced, royalties are paid to the right-holders of the works. If IPRS has been unable to source a set list for the event, royalties are distributed via the "General Live Events" pool.

#### 4.3 General Live Events Survey

<b>License Type</b>	F – Annual license for shops, bars & restaurants	<b>Distribution Method</b>	Survey
		<b>Distribution Basis</b>	Play
<b>Distribution Frequency</b>	Once a Year	<b>Processing Threshold</b>	None

A portion of revenue collected from bars, hotels, restaurants, disco, malls, etc. for non-ticketed live performances is distributed based on analogy data.

IPRS is currently distributing such collections based on analogy method as mentioned in Point 5 below.

#### 4.4 Live Performances Scheme

IPRS does not have an Unlogged Performance claim procedure.

### 5 Background Music

Background music is described as the public performance of a television or radio in a premise; or the public performance by mechanical/digital means of a CD, tape, MP3 player, jukebox, internet service etc. The revenue collected from the range of sources for background music is distributed by Analogy unless logs are provided by the users. IPRS does not have separate category however, it is included under General Licensing.

The Company collects a major portion of license fees from numerous users who are not in a position to provide logs viz. Hotels, Restaurants, Bars, Discos, Malls, etc. When sufficient data is not readily available, an analogy-based distribution method will be used. Using this method, revenues / license fees collected are distributed using statistical data which reflects the current patterns of music use/exploitation on select platforms. The data is not obtained directly from the licensee. The type of data will be analogy which would include the logs / works from broadcaster transmission logs i.e. Radio Broadcasters and various licensed digital service providers.

The Public Performance royalty for which logs are not available, the distribution will be considered on the weighted basis as mentioned below:

- i) Radio Logs from Aircheck –30%.
- ii) Youtube – 30%.
- iii) Streaming Platforms Licensed – 30%.
- iv) Sampling – 10%

The data used to process the background music from the digital service providers will be basis the view counts and / or revenues for per play as available. In case of data for sampling basis is not available, the weightage of You Tube will be increased proportionately. In the absence of the usage data for the International works on the Streaming platform, the Public performance royalties for such unlogged International works usage will be distributed on the basis of Radio Logs.

#### 5.1 Public Reception

IPRS does not have separate category however, it is included under general licensing.

#### 5.2 Background Music – Bars & Shops

IPRS does not have separate category however, it is included under general licensing.

#### 5.3 Background Music – Hotels & Restaurants

IPRS does not have separate category however, it is included under general licensing.

## 5.4 Commercial Discos

IPRS does not have separate category however, it is included under general licensing.

## 5.5 Airlines

<b>License Type</b>	H – Annual license for airlines	<b>Distribution Method</b>	Census/Pro-Rata
		<b>Distribution Basis</b>	Per Play
<b>Distribution Frequency</b>	Once a Year	<b>Processing Threshold</b>	None

IPRS collects revenue for performances of controlled repertoire in aircraft registered in India. This revenue consists of charges for boarding/disembarkation music as well as in-flight entertainment music. The Distribution of Royalties will be according to the list of songs provided by the Airlines on per play basis.

Category	% of net revenue	Distribution Method
Audio	100%	Census

The revenue for audio is distributed across the music usages reported to IPRS by the airline. This is distributed on the per play basis.

## 6 Private Copying

IPRS does not collect and distribute this category as there is no law authorising the same.

## 7 Digital and Online Revenue

### 7.1 General Information

#### 7.1.1 Digital and Online Service Definitions

##### 7.1.1.1 Ringtone

IPRS has already set the tariffs. The Distribution will be on the basis of logs provided/analogy.

##### 7.1.1.2 Download

IPRS has already set the tariffs.. The Distribution will be on the basis of logs provided/analogy.

##### 7.1.1.3 Interactive Streaming

IPRS currently collects and distribute for this category under the Websites/OTT platforms category (as per Point.7.7)

##### 7.1.1.4 Non-Interactive Streaming

IPRS currently collects and distribute for this category under the Websites/OTT platforms category (as per Point.7.7).

##### 7.1.1.5 Webcast (Standard or Interactive)

IPRS categorises a standard webcast as the ability to watch or listen to a linear music based webcast, where the user cannot pause or fast forward the webcast.

IPRS categorises an interactive webcast as the ability to watch or listen to a music based webcast, where the user can select the music, or pause or fast forward the webcast.

##### 7.1.1.6 Mixed Service

IPRS currently does not collect and distribute for this category.

### 7.1.1.7 Other Services

IPRS currently does not collect and distribute for this category.

### 7.1.2 Distribution Splits

Music data for websites is analysed on a census /analogy basis and royalties are calculated on per play basis/usage basis.

A distinct distribution pool is set up for each website provider. Each provider is required to return complete logs to IPRS. All usages are auto-matched by IPRS. Royalties received from the provider are distributed once a year across these logs.

### 7.2 Ringtones

IPRS collects revenue in respect of utilization of Ringtones i.e. for CRBT, Caller-back Ringtones as well as Polyphonic and Monophonic Ringtones with the distribution splits set out below:

CRBT	Composer – 25% Author – 25% Publisher – 50%
Polyphonic	Composer – 25% Author – 25% Publisher – 50%
Monophonic	Composer – 25% Author – 25% Publisher – 50%

### 7.3 Music Downloads

IPRS has already set the tariffs. The Distribution will be on the basis of logs provided/analogy.

### 7.4 Video Downloads

IPRS has already set the tariffs. . The Distribution will be on the basis of logs provided/analogy.

### 7.5 Music Streaming

IPRS currently collects and distributes for this category under the Websites/OTT platforms category (as per Point.7.7).

### 7.6 Audio-Visual Streaming

IPRS currently collects and distributes for this category under the Websites/OTT platforms category (as per Point.7.7). Weightages as defined under Para 3.2.2 is applicable for distribution of collections pertaining to feature films/serials/OTT originals which are streamed in OTT Audio-Visual platforms.

### 7.7 Websites / OTT Platforms

<b>License Type</b>	L – Online Websites	<b>Distribution Method</b>	Census
<b>Number of Providers</b>	11	<b>Distribution Basis</b>	Per Play/Revenue
<b>Distribution Frequency</b>	Quarterly / Once a year	<b>ProcessingThreshold</b>	Census

Music data for websites is analyzed on a census / analogy basis and the royalties are processed and calculated on the revenues and/or on per play/usage basis according to the usage reports of the digital service providers. The Nonidentified Music (GE) /overflow revenues received from the digital service providers will be distributed basis the same logged data and/or market share of the said periods for which such revenues have been received. Any final settlement/closing balance share received from Digital Service Providers without usage data/logs of IPRS repertoire will be distributed on analogy, basis the view counts or based on same logged data and/or market share of the said periods for which such revenues have been received.

A distinct distribution pool is set up for each website provider. Each provider is required to return complete logs to IPRS. All usages are auto-matched by IPRS. Royalties received from the provider are distributed quarterly / once a year across these logs. Of the total revenue, performing right and mechanical right are allocated on equal basis.

The Internet Distribution of Royalties are distributed as per the set-list of songs / logs received from the Platforms for streaming on their website for interactive / non-interactive broadcast. Many of the songs for which the royalties received from the Platforms are in cents. The songs considered for distribution are for the revenues of the song value which is above 25US\$ cents as cut-off amount. The song value which is below 25US\$ cents are not considered / taken for distribution, however, the amounts accrued for the song value below 25US\$ cents are re-distributed on the basis of the distributed amount i.e. for the song value above 25US\$ cents.

Royalties for websites are distributed quarterly / once a year.

## 8 International Revenue

IPRS has reciprocal agreements with affiliate societies to license usage of IPRS's repertoire in other countries. The collection and distribution policies of the affiliate societies will apply for repertoire usage within their territory. Revenue is collected by the affiliate society in the territory of performance from a wide variety of licensees covering all of its copyright music use. The affiliate society subsequently forwards royalties to IPRS for the portion of the collected revenue it has identified as attributable to IPRS members, along with sufficient information to enable IPRS to identify the works and interested parties to pay.

IPRS distributes international revenue on a yearly basis. The time period between performance and distribution is subject to the distribution timetable of the affiliate society.

## 9 Financial Aid to Members

Any Financial Aid announced by IPRS will be extended to the members with prior approval of the Board. Such extension of Financial Aid to members will be based on the following criteria:

- 1) The Member should have completed at least 1 year of membership tenure with IPRS as on the 31<sup>st</sup> of March immediately preceding the date of announcement of the Financial Aid.
- 2) The Member should have received Royalty amounting to less than Rs.1 Lakh during the period of 1 year as on the 31<sup>st</sup> of March immediately preceding the date of announcement of the Financial Aid.

## 10 Appendix

**Table 1: Distribution Summary for National Radio Stations – General Music**

Revenue Source	Distribution Method	Distribution Basis	Distribution Frequency
<b>National Radio Stations</b> -			
<b>General Music</b> -			
Ananda Offset Pvt Ltd (Friends FM)	Census/Analogy	Calculated on a per play basis	Once aYear
- Clear Media	Census / Analogy	Calculated on a per play basis	Once a Year

Note : The Distribution frequency as mentioned above is once a year , however, it may change as per the availability of the logs i.e. census / analogy.

**Table 2: Distribution Summary for National TV Channels – General Music**

Revenue Source	Distribution Method	Distribution Basis	Distribution Frequency
<b>National TV Channels - General Music</b>			
- Star India Private Limited (or equivalent)	Census / Analogy	Calculated on a per play basis	Once a Year
- Zee Entertainment Enterprises Limited-(or equivalent)	Census / Analogy	Calculated on a per play basis	Once a Year
- Sony Pictures Networks India Pvt Ltd-	Census / Analogy	Calculated on a per play basis	Once aYear

Note : The Distribution frequency as mentioned above is once a year , however, it may change as per the availability of the logs i.e. census / analogy.

**Table 3: Distribution Summary for Website/ OTT Platforms – General Music**

Revenue Source	Distribution Method	Distribution Basis	Distribution Frequency
<b>Website - General Music</b>			
- Google Ireland Ltd.	Census / Analogy	Calculated on revenue earned	Every Quarter
- Apple Distribution International	Census / Analogy	Calculated on revenue earned	Once a Year
- Spotify AB	Census / Analogy	Calculated on a per play/usage basis	Once a Year
- Amazon Seller Services Private Limited	Census / Analogy	Calculated on a per play/usage basis	Once a Year
- Facebook	Census / Analogy	Calculated on a per play/usage basis	Once aYear
- ALTBalaji	Census / Analogy	Calculated on a per play/usage basis	Once aYear

- Hungama	Census / Analogy	Calculated on a per play/usage basis	Once aYear
- Bytedance (Resso)	Census / Analogy	Calculated on a per play/usage basis	Once aYear
- Share Chat & Moj	Census/Analo gy	Calculated on a per play/usage basis	Once a Year
- Roposso	Census / Analogy	Calculated on a per play/usage basis	Once a Year
- Cure-Fit	Census / Analogy	Calculated on a per play/usage basis	Once a Year

Note : The Distribution frequency as mentioned above, may change as per the availability of the logs i.e. census / analogy.

**Table 4 & 5 :Illustrations for better understanding/ explanation of the Distribution policy on the Weightage ratio between Feature Music (Songs) and Background Music (Point 3.2.2 of the Distribution Rules and Methods)**

**Table 4(Illustrating scenario of increase in IPRS Income and its impact on the Weightage Ratio between Songs and Background Music)**

Financial Year	Assumed Income (in Rs. crores)	Weightage Ratio (Songs : Background Music )
FY 2024-25 (Base Year)	600	1:6
FY 2025-26	700	1:5
FY 2026-27	800	1:4
FY 2027-28	1000	1:2

**Table 5 (Illustrating scenario of decrease in IPRS Income and its impact on the Weightage Ratio between Songs and Background Music)**

Financial Year	Assumed Income (in Rs. crores)	Weightage Ratio (Songs : Background Music )
FY 2024-25 (Base Year)	600	1:6
FY 2025-26	500	1:6
FY 2026-27	700	1:5
FY 2027-28	600	1:6

**Note : The weightage ratio will not go below 1:2 (Song/Feature Music : Background Music) and not above 1:6 (Song/Feature Music : Background Music)**