

CINEFIL PRODUCERS PERFORMANCE LTD

Distribution Scheme of Royalties

Distribution Scheme of Royalty is headed by Dignitaries/Producers Suneel Darshan, Pawan Kumar, B. Subhash, Ms. Preeti Sapru, Mehul Kumar, Ms. Aruna Vikas Desai, Kunal Goswami, Shanu J. Mehra, Akashdeep, Kishan Sethi, Mahindra Bohra and Vimal Kumar, Amit Gupta, Shivamraj, Ms. Kaveri Kaushal & RK Duggal.

1. Introduction

CINEFIL PRODUCERS PERFORMANCE LTD (CINEFIL) is a Copyright Society registered by the Central Government under Section 33(3) of the Copyright Act 1957 for Cinematograph Film Work and it's formed by the Film producers and Other Owners Pan India (collectively referred as "Members") having the object of collecting royalties from India and Overseas by issuing and granting Cinematographic Performance license (CPL). The Society is a non-profit making Organization and is a Company Limited by Guarantee and Registered under the Companies Act, 2013.

2. Phenomenon of Distribution of Royalty

Copyright royalties collected from users of Cinematographic Film Work are distributed to copyright owners/members of a Society. CINEFIL's obligation to those who have entrusted the administration of their copyrights to CINEFIL is to carry out such distribution in a just and equitable manner. In categories such as performances by means of Cinematographic Film Work are continuously used every day and it is difficult to receive program returns for all the works used. For such categories, distribution is based on data gathered through statistically reliable random sample surveys carried out under the supervision of expert statisticians. To make the distributions more accurate, Cinematographic Film Work usage reports are also gathered directly from facilities which performances changes on a day to day basis, such as clubs, Lounges etc.

3. Applicability Period

These rules apply to the distribution of royalties in respect of the license income collected starting 18/4/23 (Date of Registration) and ending 31/3/24 and any subsequent financial years.

4. Distribution of Royalty Scheme

Procedure and Basis for Distribution of Royalties specified in the Tariff Scheme is:

- a) The Royalty Distribution shall be Fair, Accurate, Cost-effective and without any unknown or hidden cross-subsidies;
- b) The Royalty collected under various Tariffs will be allocated between the Producers and other Owners of the work based on the Distribution Committee's decision on the following; -

- c) Distribution committee has team of 16 expert members which includes those who are established film makers, from different languages These experts have a vast experience in judging films. According to their performance at the box office, the Committee will decide a Royalty amount.
- d) Our country produces more than 1000 films per annum across 29 states. Each Indian state has their own language and produce films in that particular language. We at CPPL have our pan India languages licenses. Members of CPPL are film producers who produce films who produce films in all languages spoken in India like Hindi, English, Marathi, Gujarati, Bhojpuri, Methli, Garhwali, Tamil, Oriya, Telugu, Malayalam, Kannada, Bengali, Assamese, Punjabi, Haryana, Dogri, Kashmiri Etc. Here we have a distribution policy which is mainly based on these categories like hits, semi hit, average and below average films, which is again based on box office results and TRP on Channels and other Digital Platforms.
- e) From the revenue collected (net of TDS suffered, commission and collection charges) all administrative, operating costs, expenses and out-goings (both direct and allocated of common over-heads), legal & litigation expenses are deducted. The amount so arrived shall be termed as 'Income available for distribution'

5. Computation methodologies in special cases

- a. In case of fixed value or lump-sum value licenses or settlements, the licence fees per film is to be computed on annually (or, alternately, the entire contract term, at the option of CINEFIL) by dividing the lump-sum or fixed value or settlement amount for the quarter (or the contract term, as the case may be) of all CINEFIL members.
- b. In cases where the Licensee fails to provide the periodic usage log report or a report is found to be erroneous or incomplete or inconsistent or unreliable and is not rectified expeditiously by the Licensee or there are practical difficulties in precisely identifying the film to a member, CINEFIL may apply a suitable standby method, for that amount, on a case-to-case basis. Such basis of such schemes may include but not restricted to the number of film owned/registered by the member, or licence fees earnings of member in that stream or in aggregate, or logs given by a similar licensee, etc.

6. Payments to Foreign Collective Management Organizations

Licence fees received and distribution to International Collective Management Societies as part of Bilateral Agreements Signed shall be in accordance with the binding resolutions of the current distribution policy.

7. Periodicity of payments

Revenue Stream	Periodicity
Public Performance	Annual

The final payout of public performance license fees, after finalization of CINEFIL audited accounts, shall be paid out latest by January 31st of the subsequent financial year subject to timely receipt of all documents.

8. Deductions

From the license fees received from the licensees (net of TDS suffered, commission and collection charges), all administrative expenses, legal expenses, anti-piracy/advocacy charges, member welfare scheme contributions are deducted. In the event expenses were not fully adjusted from the payment of the relevant year, such un-adjusted expense may be carried over and recovered from the payment of license fees consideration for the subsequent year. In the event of temporary inability to distribute a part of the revenue or part of the collected amounts due to Court order, or litigation or government intervention or orders by authorized government agencies/institution, the same may be withheld and kept aside, till the litigation or intervention or order is resolved.

9. Distributions are Final

CINEFIL's policy is always to pay out the full distributable amount by January 31st each year. This means that once they are determined by CINEFIL and paid out, all distributions are final and cannot be altered or revisited.

10. Counter-Claims & Disputes on Titles

In the event of counter-claims of ownership / control disputes on a video, whether involving judicial proceedings or not, the license fees on the same is liable to be kept suspended or withheld till the satisfactory resolution of the dispute upon production and examination of necessary documentary evidence of ownership of copyright preferably issued by the court of law in favour of the member claiming the amount. The decision of CINEFIL in such cases will be at its sole and exclusive discretion and binding on the members and claimants concerned.

The member shall produce such documentary proofs, as may be required by CINEFIL or its lawyers from time to time. CINEFIL may choose to take legal advice/opinion on the counter-claim; in which case, the counter-claimant shall be required to deposit in advance the full legal cost with CINEFIL, which the counter-claim is liable not to be processed.

11. Temporary Suspension of Payment

11.1 CINEFIL may temporarily suspend payments from a member's account if he, at any time, withdraws or terminates or restricts or derogates exclusive assignment/transfer of his repertoire or in parallel exploits the same through third- parties, in a manner inconsistent with the agreement signed by him with CINEFIL.

11.2 License fees payments may be temporarily withheld, at discretion of CINEFIL, till the Member executes any pending documentation or evidence related to membership or assigned works. No interest is payable on suspended license fees.

11.3 In the event of any funds of the CINEFIL being un-available on account of any legal action or Court order, including for example provisional attachment of funds, or bank account freeze or attachment of funds by an authority or Court, CINEFIL is entitled and empowered to delay and/or with-hold the distribution of license fee to members to such extent, on a pro-rata basis to each member, out of his eligible license fee as calculated. The basis, time-frame, formula, methodology and decisions adopted by the Board/ Governing Council in this regard shall be final and binding on all members. Amounts so with- held or delayed can be released only upon release of the funds by the authority or Court concerned.

12. Unclaimed Royalties

In case of repeated return (three attempts to reach the member) of the royalty payouts to members, an advertisement shall be made in the local newspaper/Trade papers in the state where the member is based. Post thirty days from the publishing of the local newspaper advertisement/Trade papers, such unclaimed license fees / royalties, pertaining to inaccessible or defunct members, will be parked or set aside for a period of 3 years from the date of deposit of unclaimed royalties into a separate account earmarked for this purpose and after three years thereon the said unpaid amount shall be moved to Members Welfare Scheme.

13. Changes to this Policy

From time to time, CINEFIL may need to amend this Policy to reflect changes to its operations or to take account of legal changes (e.g. amendments of the Copyright Act, or a decision of a court or the Copyright Tribunal). This Policy will only be amended by the approval of the members at a general meeting and at all times we will ensure that a copy of the revised policy is made available on CINEFIL's website, as soon as possible, after any changes. Any such amendment will only be made in line with the terms of the Articles of Association of the CINEFIL.

14. Adjustments

CINEFIL may adjust or deduct, from any future payments to a member, any past over- payments that have been made to that member. Over-payments might have occurred where a member supplied incorrect information or has incorrectly registered his film or due to clerical oversight/error, or dispute/counter- claim, etc.

CINEFIL may offset or reduce the license fees payable to a member to the extent of dues or claims from the same member to CINEFIL, in his capacity as a licensee or user or in any other manner whatsoever.

15. Allocation & Distribution issues not covered by this Policy

The allocation and distribution process, of collected license fees, is set out in this Policy. Occasionally, an issue will arise in relation to the allocation and distribution of net license fee revenue that is not covered by this Policy. In such cases, CINEFIL Board/Governing Council will determine, by a board resolution, how to handle the issue, taking into account appropriate professional advice. Any such resolution will be treated by CINEFIL as part of this Policy for the purpose of allocating and distributing license fee revenue. If the issue is likely to have an ongoing effect on CINEFIL's activities (for example, where it has risen as a result of a legislative change), this Policy may be amended to incorporate the approach determined by CINEFIL Board.

16. Mode of Payment

License fees payments are made by online bank payments and in exceptional circumstances by account payee cheques. Payouts shall be made only to the member to their designated bank account. Payment assignment or endorsement requests shall not be taken into account. In the event any taxes or levies are applicable on license fees distributed to member, same shall be borne by (or charged to) the member.

17. TDS Procedures

License fees payment will not be made to a member till he furnishes his income-tax PAN number and copy of PAN certificate. Certificates for tax deducted at Source (TDS) will be issued to the member quarterly. Any discrepancy, to be notified within 15 days of the receipt of the said certificate. If any member has obtained concessional/lower TDS certificate from the income tax department, the same will be applied on the next license fees payment due after the receipt of the said certificate. The certificate will be applied for the period and amount for which it is issued, and only until the closure of books/audit of accounts of CINEFIL. Thereafter, for any payment of license fees for the prior period, normal TDS rate will prevail.

18. Tax Procedures

GST or other tax payment will be made to a member on his furnishing valid tax invoice as prescribed by the tax authorities, within the statutorily prescribed time-limits and as per the statutory prescribed format. Invoices not statutorily compliant cannot be processed for payment of tax.

19. Registration of Works

It is the sole responsibility of members to register their film with the CINEFIL.

20. Variations

In the event of any variation, if any, between the basis and methodology as per this document and the methodology specifically agreed in the agreement with an individual member, the latter shall prevail.

21. CINEFIL Obligation

CINEFIL has an ongoing obligation, of Confidentiality, to all its members. All our staff are subject to a duty of confidentiality in respect of the information they acquire and use in the course of their duties for CINEFIL. This means they generally cannot disclose details about the allocation and distribution process, especially the individual rupee amounts or percentages of usage logs attributable to a particular member track or CINEFIL Members (apart from the information routinely provided to CINEFIL members on their respective distribution statements)

CINEFIL staff will not reveal to members of the public the confidential contact details and other information we hold about our members.

22. Notification Requirement

Members must ensure that they keep CINEFIL informed of any changes to the production houses they own or control, including any production houses that are discontinued and any new production houses that are introduced.

The logo for CINEFIL is centered on the page. It features the word "CINEFIL" in a bold, yellow, sans-serif font with a slight 3D effect. The text is set against a circular background with a gradient from light pink at the top to light yellow at the bottom. Two yellow film strips are overlaid on the circle, one curving across the top and another curving across the bottom.