

# The Ultimate Guide on Copyright Valuation in India — 2026 —

A Practitioner's Guide for Indian  
Media Companies, Publishers,  
Technology Firms, CFOs &  
Legal Counsel



**BUNDLE OF RIGHTS**  
Print, Digital, Performance,  
Mechanical, etc.



**COMMERCIAL USE  
& LICENSING**  
Revenue Streams &  
Royalty Potential



**TERM OF PROTECTION**  
Duration of Rights



**INFRINGEMENTS  
& REMEDIES**  
Enforcement &  
Anti-Piracy



**TERRITORIAL REACH**  
Market Presence (India & Global)



**CREATOR & PUBLISHER RIGHTS**  
Originality & Source Attribution

BY

**SAGAR SHAH**

CA | CS | IBBI Registered Valuer | All India Rank Holder | Ex-EY

# ELITE VALUATION

Independent Valuation | Boutique Advisory | Pan-India

## COPYRIGHT VALUATION SERVICES

### ABOUT THE AUTHOR

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Sagar Shah is one of India's leading intangible asset valuation specialists, with over 15 years of professional experience spanning transaction advisory, regulatory compliance, financial reporting, and litigation support mandates. He spent 9 years at Ernst & Young (EY) in the Transaction Advisory and Valuation practice, where he led intangible asset identification and valuation exercises for India's most complex media, technology, entertainment, publishing, and software M&A transactions. His copyright valuation work spans Purchase Price Allocations under Ind AS 103, royalty rate determinations for content licensing arrangements, Transfer Pricing compliance for cross-border content rights, income tax assessments involving literary and artistic works, and infringement damages quantification for Indian courts and arbitration tribunals.

At Elite Valuation, the practice advises media houses, OTT platforms, film production companies, music labels, publishers, software companies, e-learning businesses, architecture firms, advertising agencies, and legal counsel on the economic valuation of copyright assets across every creative and commercial domain.

DESIGNATION	ACHIEVEMENT	REGULATOR	PRIOR FIRM
CA   CS	All India Rank Holder	IBBI Registered Valuer	9 Years at EY

*“Copyright is the invisible balance sheet of the creative economy. A film library, a music catalogue, a software platform, or a publishing archive can represent hundreds of crores of economic value that never appears in a company's books — until a transaction, a dispute, or a regulatory filing makes an independent valuation unavoidable.”*

— Sagar Shah, CA | CS | IBBI Registered Valuer | Ex-EY

## Copyright and Content Asset Valuation Services

Elite Valuation's Copyright and content Valuation practice spans every creative and technology sector in India. Each engagement is led by a qualified IBBI Registered Valuer, grounded in sector-specific data, arm's-length benchmarks, and regulatory compliance requirements.

**01**

### Copyright Portfolio Valuation — M&A / PPA

Fair value identification and valuation of acquired copyright assets under Ind AS 103, covering music catalogues, film libraries, software codebases, publishing archives, and digital content repositories.

**02**

### Music Catalogue and Publishing Rights Valuation

Economic valuation of master recordings, musical compositions, publishing income streams, synchronisation rights, neighbouring rights, and music streaming royalty portfolios.

**03**

### Film, OTT and Content Library Valuation

Valuation of film production companies, streaming content libraries, theatrical and digital release rights, content acquisition slates, and ancillary rights packages for broadcast, home video, international markets.

**04**

### Software Copyright and Database Valuation

Independent valuation of proprietary software codebases, SaaS platform IP, database rights, algorithm copyrights, and technology content assets for M&A, PPA, tax, and impairment purposes.

**05**

### Transfer Pricing for Content Licensing Royalties

Arm's-length royalty rate determination for cross-border copyright licences, benchmarked against comparable uncontrolled transactions, compliant with OECD TP Guidelines and Indian TP regulations.

**06**

### FEMA-Compliant Cross-Border Copyright Valuations

Registered valuer certificates for cross-border copyright transfers, content licensing agreements, and co-production arrangements under FEMA NDI Rules and DPIIT guidelines.

**07**

### Copyright Infringement Damages Quantification

Litigation support valuations for copyright infringement, piracy, and unauthorised reproduction disputes — lost profits, reasonable royalty, and account of profits analyses for Indian courts and arbitration.

**08**

### Copyright Impairment Testing — Ind AS 36

Annual impairment reviews for capitalised copyright and content assets — recoverable amount computation and impairment charge determination for media, technology, and publishing companies.

## What Sets Our Copyright Practice Apart

Independence, sector depth, and regulatory precision are the hallmarks of every Elite Valuation engagement. The following six attributes distinguish our copyright practice from general advisory or accounting firm approaches.

### Regulatory-Grade Independence

Every report is signed by an IBBI Registered Valuer and compliant with IVS, ICAI Valuation Standards, and applicable SEBI, FEMA, and Income Tax regulatory requirements.

### Sector Depth Across Creative Industries

From Bollywood blockbusters to B2B SaaS codebases, our practice brings granular market knowledge of royalty benchmarks, OTT platform economics, and content deal structures across every copyright category.

### Authorized Transaction Database

We use a curated database of Indian copyright licence transactions, OTT content deal benchmarks, music catalogue NPS multiples, and ITAT royalty adjudications built over years of active practice.

### Litigation-Proven Expert Testimony

Our copyright infringement damages analyses have been accepted by Indian courts and arbitration tribunals. We provide independent, evidence-based expert witness reports structured to withstand cross-examination.

### Full Regulatory Spectrum Coverage

FEMA, Ind AS 103 / 36 / 38, Income Tax Act (Sections 56(2)(x) and 9(1)(vi)), Transfer Pricing, and SEBI regulations — all handled under one advisory roof.

### Process Transparency and Defensibility

Our valuation process includes a rights audit, revenue stream mapping, methodology triangulation, and sensitivity analysis on every significant engagement — producing conclusions that can be scrutinised by auditors, regulators, or courts.

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## WHO WE SERVE

# Industries and Client Types

Our practice serves a broad cross-section of copyright-intensive industries and professional advisers across India's media, technology, entertainment, and legal sectors.

Media Houses and Broadcasters

Film Production Companies

Software and SaaS Companies

Legal Counsel and Courts

Private Equity and Venture Funds

OTT Platforms and Streaming Services

Music Labels and Publishers

E-Learning and EdTech Businesses

CFOs and Investment Bankers

Architecture and Design Firms

## GET IN TOUCH

# Get your Copyright Valuation

Whether you are planning a media M&A transaction, structuring a cross-border content licence, responding to a Transfer Pricing audit, or quantifying infringement damages, our team is ready to advise. Reach us through any of the channels below.

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**PART I: COPYRIGHT IN INDIA — LAW, ECONOMICS & SCOPE**

# Chapter 1: The Indian Copyright Framework — Legal Architecture, Duration, and Economic Significance

Copyright is the most pervasive form of intellectual property in the modern economy — more widely held, more frequently transacted, and more economically significant across a broader range of industries than any other form of IP. Every piece of writing, every piece of music, every software application, every film, every architectural drawing, every database, and every broadcast is protected by copyright from the moment of its creation, without any registration formality. This automatic, universal nature of copyright makes it simultaneously the most democratised and the most frequently undervalued category of intellectual property.

In India, the economic scale of copyright-protected industries is enormous. The media and entertainment industry — encompassing film, music, television, OTT streaming, gaming, publishing, and live events — generates revenues exceeding Rs. 2.5 lakh crore annually and is growing at 10–12% per year, significantly outpacing nominal GDP growth. The software and technology sector, where copyright protects source code, object code, databases, and algorithm logic, represents another vast repository of copyright economic value. Publishing, advertising, architecture, fashion design, and education collectively add further trillions of rupees of copyright-dependent economic activity.

## 1.1 The Legal Architecture — Copyright Act, 1957 and Its Amendments

The Copyright Act, 1957, as amended through the Copyright (Amendment) Act, 2012 — India's most significant copyright reform in decades — is the primary legislation governing the creation, ownership, transfer, licensing, and enforcement of copyrights in India. Key provisions relevant to copyright valuation include: Section 14 (exclusive rights of the copyright owner — reproduction, communication, adaptation, translation); Section 17 (first ownership — employer owns copyright in works created by employees in the course of employment); Section 18 (assignment of copyright); Section 30 (licensing of copyright); Section 38A (special rights of performers in their performances — neighbouring rights); and Sections 55–62 governing infringement remedies.

The 2012 Amendment introduced several provisions with direct valuation implications: the statutory royalty sharing right of authors and composers in underlying works (Section 19(9) — the songwriter's right to share in royalties even after assignment of copyright); the reversion right allowing authors to reclaim copyright assigned for inadequate consideration; and the enhanced protection of moral rights. These provisions affect the economic value of copyright assignments and must be considered in any valuation of acquired copyright assets.

Copyright Category	Works Covered	Duration	Key Indian Provision
Original Literary Works	Books, articles, lyrics, code, databases	Life of author + 60 years	Section 13(1)(a), Copyright Act 1957
Original Dramatic Works	Scripts, plays, screenplays, choreography	Life of author + 60 years	Section 13(1)(a), Copyright Act 1957
Original Musical Works	Compositions (melody + harmony, not lyrics)	Life of author + 60 years	Section 13(1)(a), Copyright Act 1957
Original Artistic Works	Paintings, drawings, photographs, architecture	Life of author + 60 years	Section 13(1)(b), Copyright Act 1957
Cinematograph Films	Films — visual + sound recording combined	60 years from publication	Section 13(1)(b) + Section 26
Sound Recordings	Master recordings — independent of composition	60 years from publication	Section 13(1)(c) + Section 27
Computer Programmes	Software — treated as literary work	Life of author + 60 years	Section 2(o) + Section 13
Broadcasts	Radio, TV, cable, satellite broadcasts	25 years from broadcast	Section 37, Copyright Act 1957

Table 1.1: Copyright Categories under the Indian Copyright Act, 1957 — Duration and Legal Framework

## 1.2 Copyright Registration in India — Optional but Valuable

Unlike patents and trademarks, copyright in India arises automatically upon creation and does not require registration. However, voluntary registration with the Copyright Office (under the Copyright Rules, 2013) provides an official record of the work, the author's identity, and the date of creation — creating a presumption of ownership that is valuable in enforcement proceedings. The Registrar of Copyrights maintains a Register of Copyrights that is a public record and can be inspected by any person.

For copyright valuation purposes, registered copyrights have a practical advantage: they provide clear, documented proof of ownership and creation date that is essential in due diligence for M&A transactions, Transfer Pricing documentation, and FEMA compliance filings. Unregistered copyrights — while equally valid in law — require alternative evidence of creation (dated manuscripts, email records, digital metadata) that may be more difficult to produce in a transactional or regulatory context. A copyright portfolio with comprehensive registration records is more straightforward to value and transact than one relying primarily on common-law ownership claims.

## 1.3 The Economic Scale of Indian Copyright Industries

The economic value of copyright-protected industries in India spans an extraordinary range. The Indian film industry — one of the world's largest by output, producing over 1,500 films annually across languages — generates total revenues that, when aggregated across theatrical, streaming, satellite, and ancillary rights, represent a copyright value pool of tens of thousands of crores of

rupees. The music industry, transformed by streaming platforms like JioSaavn, Spotify, Gaana, and YouTube Music, has seen music catalogue values escalate sharply as streaming royalty streams have become increasingly predictable and bankable.

India's software export industry — which generates revenues exceeding \$250 billion annually from foreign customers — is built entirely on software copyright. Every line of code produced by India's IT services sector is a copyright-protected work, and the ownership and licensing of that software copyright underlies every IT services contract, every SaaS subscription, and every technology platform transaction in the sector. For copyright valuation practitioners, the breadth of copyright-intensive industries means that no single sector expertise suffices — the valuer must be conversant with the economics of music streaming, film financing, software licensing, publishing, and digital content creation simultaneously.

#### KEY INSIGHT

*We have observed a persistent pattern in copyright-intensive M&A transactions: acquirers consistently underestimate the value of content libraries and copyright portfolios until the Purchase Price Allocation process forces a formal economic analysis. In one transaction involving an OTT platform acquired for Rs. 450 Crore, our PPA identified a content library copyright value of Rs. 195 Crore and a technology platform software copyright value of Rs. 65 Crore — assets that the acquirer's deal team had collectively described as 'content and tech' without any attempt to disaggregate or independently value them. Understanding the economic structure of copyright assets before the deal is the hallmark of sophisticated M&A practice.*

## 1.4 Key Use Cases for Copyright Valuation in India

Professional copyright valuation in India is required across a widening range of business, regulatory, and legal contexts. The primary use cases include: M&A transactions in media, entertainment, technology, and publishing (copyright is the primary asset being acquired); Purchase Price Allocation under Ind AS 103 (mandatory identification and fair value measurement of acquired copyright assets); Transfer Pricing compliance for cross-border content licensing and royalty arrangements; FEMA compliance for cross-border copyright transfers and content co-production arrangements; income tax assessments under Sections 56(2)(x) and 50B for deemed consideration and slump sales; litigation support for copyright infringement damages; impairment testing under Ind AS 36 for capitalised content and software assets; and copyright securitisation and royalty monetisation transactions.

#### PRO TIP

*Before commissioning a copyright valuation for any purpose, conduct a 'rights audit' — a systematic inventory of every copyright asset owned or licensed by the company, documenting for each: the nature of the work, the creation date, the author(s), the ownership history (including any assignments or licences granted), the registration status, and the current revenue-generating status. This rights audit is the essential foundation for any copyright valuation and typically reveals gaps in documentation — expired licences, undocumented assignments, or unclear joint-ownership arrangements — that must be resolved before the valuation can proceed.*

**PART I: COPYRIGHT IN INDIA – LAW, ECONOMICS & SCOPE**

# Chapter 2: What Makes a Copyright Valuable – Rights, Revenue Streams, and Economic Value Drivers

Not all copyrights are equal. The range of economic values across the universe of copyright-protected works is extraordinary – from a Bollywood blockbuster franchise with Rs. 500 Crore in annual royalty and licensing income to a poem written by an unknown author that generates no commercial revenue at all. Understanding what creates and destroys copyright value – the legal, creative, and commercial factors that determine how much economic benefit a copyright delivers – is the essential prerequisite for any rigorous copyright valuation exercise.

Copyright valuation is particularly complex because the economic value is almost entirely dependent on the ability and willingness of the market to pay for the specific creative work – and creative markets are inherently more unpredictable than commodity markets. A film that cost Rs. 100 Crore to produce may generate Rs. 500 Crore in revenue or Rs. 20 Crore, depending on factors that are partially foreseeable (star power, production quality, genre trends) and partially unknowable in advance (audience reception, critical response, release window competition). This inherent creative uncertainty is a defining feature of copyright valuation that distinguishes it from patent or brand valuation.

## 2.1 The Economic Rights Bundle – What the Copyright Owner Controls

A copyright is not a single right but a bundle of exclusive economic rights. Under Section 14 of the Copyright Act, 1957, the copyright owner in a literary, dramatic, musical, or artistic work has the exclusive right to: reproduce the work; issue copies to the public; perform, show, or play the work in public; communicate the work to the public (including broadcasting and digital transmission); make cinematographic films or sound recordings of the work; make translations or adaptations. Each of these rights can be separately licensed or assigned, creating a complex multi-dimensional rights structure that must be understood before any valuation can be conducted.

The economic significance of each right varies enormously by content type and market. For a film, the theatrical right may account for 30–40% of total revenue; the satellite/OTT streaming right another 30–40%; the music rights (soundtrack) another 10–15%; and ancillary rights (home video, merchandise, international) the balance. For a software programme, the reproduction and distribution right is primary – accounting for virtually all revenue. For a musical composition, the mechanical right (reproduction in recordings), performing right (live performance and broadcast), and synchronisation right (use in films and advertisements) each contribute meaningfully to total income.

Value Driver	Category	High Value Signal	Low Value Signal
Revenue-Generating Status	Commercial	Active, multi-channel monetisation	Unexploited — no current revenue
Rights Scope and Exclusivity	Legal	All-media, worldwide, perpetual	Limited territory, limited term, non-exclusive
Remaining Copyright Term	Legal	Long term — author alive, young work	Near expiry — work approaching public domain
Content Uniqueness / Substitutability	Creative	Irreplaceable — no close equivalent	Generic — easily substituted by alternatives
Audience Reach and Loyalty	Commercial	Large, loyal, growing audience base	Niche, declining, or undeveloped audience
Licensing Market Depth	Commercial	Active licensees, multiple channels	No established licensing track record
Platform and Distribution Access	Commercial	Premium platform relationships	Dependent on single distributor
Sequel / Derivative Potential	Strategic	Proven franchise — multiple sequels possible	Standalone work — no franchise potential

Table 2.1: Copyright Economic Value Driver Framework — High and Low Value Signals

## 2.2 Rights Scope and Exclusivity — The Legal Foundation of Copyright Value

The scope of rights assigned or licensed under a copyright agreement is the single most important legal determinant of copyright value. All-rights assignments — where the copyright owner transfers the full bundle of exclusive rights in all media, worldwide, for the full copyright term — have the maximum value because the transferee controls the complete income-generating potential of the work. Narrower assignments — limited to specific media (theatrical only), specific territories (India only), or specific time periods (5 years) — have proportionally lower value because the remaining rights stay with the original owner.

In Indian copyright transactions, the scope of rights is often incompletely specified — a legacy of contract drafting in an era before digital streaming, OTT platforms, and global digital distribution existed. Contracts drafted in the 1980s and 1990s that assigned 'all rights including television rights' are now being litigated over whether 'television rights' includes OTT streaming. Copyright valuers must carefully analyse the rights language of all relevant agreements before forming a view on the scope of rights being valued — and clearly disclose in the valuation report the rights assumptions on which the valuation is based.

### KEY INSIGHT

*We have been engaged to value content libraries where the rights position was far less clear than the client initially represented. In one music catalogue valuation for an M&A transaction, our rights audit identified 340 compositions in the catalogue where the mechanical rights had been assigned to a third-party publisher in the 1990s — reducing the effective rights held by the selling company by approximately 35% of total catalogue value. The seller had not flagged this in the data room. Our valuation report clearly disclosed the rights limitation and reflected it in the revenue model. This discovery reduced the agreed deal value by Rs. 48 Crore — a substantial*

*adjustment that would have been lost entirely without a rigorous rights audit conducted as part of the valuation process.*

## 2.3 Revenue Stream Mapping — How Copyrights Generate Income

Every copyright valuation must begin with a comprehensive map of the revenue streams that the copyright generates or is capable of generating. Revenue stream mapping identifies: all current income sources (what the copyright earns today); all potential income sources (what the copyright could earn with different exploitation strategies); and all historical income sources (what the copyright has earned in the past — relevant for trend analysis and royalty rate benchmarking).

For a film copyright, the revenue stream map typically covers: theatrical box office (net of distributor commission and exhibitor share); satellite and OTT streaming rights income; home video (DVD/Blu-ray/digital download) income; music rights income (soundtrack licensing to DSPs, synchronisation licences); international distribution income; remake and adaptation rights; merchandise and brand licensing; and educational or archival licensing. Each stream has a different risk profile, a different growth trajectory, and a different appropriate discount rate — which is why sophisticated copyright valuations use a stream-by-stream DCF model rather than a single blended royalty rate.

## 2.4 The Remaining Copyright Term — Duration and Terminal Value

The remaining copyright term — the period over which the copyright owner retains exclusive rights — is a fundamental determinant of value. Works with long remaining terms (a recent film, a new musical composition, a recently published novel) have more time to generate income under copyright protection than works approaching the end of their term. However, copyright duration is not the same as economic life — many copyright-protected works generate most of their commercial revenue in the first few years after release, with diminishing returns thereafter.

For copyrights approaching the public domain — where the copyright term will expire within the valuation period — the model must explicitly account for the transition to an unprotected status: the loss of exclusivity, the entry of competing reproductions, and the potential decline in licensing income as the work becomes freely available. Conversely, truly iconic works that maintain commercial relevance across generations (classic Bollywood films, enduring literary works, beloved software platforms) may warrant a longer and more sustained revenue model than their relative age would suggest.

### PRO TIP

*When building the revenue model for a copyright asset, construct a 'rights monetisation matrix' — a grid mapping each copyright right (reproduction, performance, synchronisation, adaptation, etc.) against each platform or channel (theatrical, OTT, broadcast, live, merchandise, international, educational) — and estimate the revenue from each cell of the matrix. This structured approach ensures that no revenue stream is overlooked and prevents the common error of double-counting revenue from overlapping rights. The matrix also*

*identifies which rights are currently underexploited – a critical finding for both the acquirer's post-acquisition value creation plan and the valuation's sensitivity analysis.*

## PART II: CORE COPYRIGHT VALUATION METHODOLOGIES

# Chapter 3: The Income Approach – Discounted Cash Flow and Relief from Royalty Methods

The Income Approach is the primary methodology for copyright valuation in professional practice. It values the copyright by reference to the economic income it generates – either by projecting the actual cash flows the copyright is expected to produce over its remaining exploitation life (the Discounted Cash Flow method) or by computing the royalty payments that the owner is relieved from paying by virtue of owning the copyright (the Relief from Royalty method). The choice between these two variants depends on the nature of the copyright, the quality of financial data available, and the purpose of the valuation.

### 3.1 The Discounted Cash Flow Method – Stream-by-Stream Modelling

The DCF method is the most rigorous and comprehensive approach for copyright assets with identifiable, multi-channel revenue streams. It values the copyright as the present value of all projected future cash flows from every exploitation channel over the remaining copyright term (or the expected economic life, whichever is shorter). The DCF approach is preferred when: the copyright has an established revenue history across multiple exploitation channels; the future revenue trajectory can be forecast with reasonable confidence based on existing contracts, platform relationships, and audience data; and the revenue streams from different channels have materially different risk profiles that warrant separate discount rates.

$$\text{Copyright Value (DCF)} = \sum [\text{FCF}_t / (1 + \text{Discount Rate})^t] \text{ for } t = 1 \text{ to } n$$

The revenue inputs to a copyright DCF model are the stream-by-stream projections from the rights monetisation matrix described in Chapter 2. The cost inputs include: the cost of exploiting the copyright (distribution costs, platform fees, collecting society administration, enforcement costs, maintenance and archive costs); and taxes on the net income. The resulting Free Cash Flow to the copyright owner, projected over the exploitation period, is discounted at an appropriate rate to produce the copyright's present value.

### 3.2 The Relief from Royalty Method for Copyright Assets

The Relief from Royalty method values a copyright by computing the royalty payments that the owner would have to pay to license the copyright from a third party, if it did not own it. This hypothetical royalty saving, discounted over the copyright's remaining economic life, is the copyright's value. The RfR method is particularly appropriate for: software copyrights (where market royalty rates from comparable licence agreements are more readily available than direct cash flow data); publishing rights (where standard royalty rates are well-established industry norms); and large copyright portfolios where individual title-level DCF modelling is impractical.

$$\text{Copyright Value (RfR)} = \sum [\text{Revenue} \times \text{Royalty Rate} \times (1 - \text{Tax Rate})] / (1 + \text{Discount Rate})^t$$

The royalty rate in the copyright RfR model represents the rate at which the copyright would be licensed in an arm's-length transaction between a willing licensor and a willing licensee. For software copyrights, published SaaS and software licence rates provide benchmarks. For literary works, publisher royalty rates (typically 10%–15% of cover price for trade books; 6%–8% for educational textbooks) provide reference points. For musical compositions, collecting society rates (IPRS in India, ASCAP/BMI in the US) and synchronisation licence benchmarks anchor the royalty rate.

#### KEY INSIGHT

*We have applied the Relief from Royalty method to value software copyright portfolios in technology company M&A transactions where the acquiring company's finance team initially wanted to value the software at its historical development cost. The RfR approach consistently produced values 3–5 times higher than historical cost — reflecting the fact that the software was generating licence revenues that could not be replicated at the original development cost if the copyright were lost. In one SaaS platform acquisition, the software copyright valued at Rs. 12 Crore on a cost basis was independently valued at Rs. 58 Crore under the RfR approach — a difference of Rs. 46 Crore that had a direct impact on the goodwill computation in the PPA and on the post-acquisition amortisation schedule.*

### 3.3 Setting the Discount Rate for Copyright Valuations

The discount rate for copyright valuations must reflect the specific risk profile of the copyright's cash flow stream. Copyright cash flows carry higher uncertainty than most other asset classes because: creative market demand is inherently less predictable than demand for commodity goods; the competitive landscape for content changes rapidly with new release slates, platform algorithms, and audience preference shifts; and the rights structure may be challenged or contested, creating legal uncertainty around the income stream.

In practice, copyright discount rates are higher than the WACC of the business owner for most types of content — reflecting the creative and commercial uncertainty. Typical ranges by copyright type: established, contracted software licences (10%–14%); published books with historical royalty track records (12%–16%); film libraries with established audience recognition (14%–18%); music catalogues with consistent streaming income (12%–16%); and speculative or early-stage content (20%–30%). Within each category, the specific rate must be calibrated to the individual copyright's risk profile — a signed streaming licence for a major Bollywood film warrants a lower rate than an unsold independent film awaiting distribution.

### 3.4 Handling Creative Uncertainty — Scenario-Based Modelling

For pre-release or development-stage copyright assets — a film in post-production, a book being written, a software product in development — the probability of commercial success is uncertain and must be explicitly modelled. The scenario-based approach defines multiple performance outcomes (box office hit, moderate performer, underperformer, direct-to-streaming release) with assigned probabilities and computes the probability-weighted expected value.

$$\text{Copyright Value (Pre-Release)} = \sum [\text{P(Scenario}_i\text{)} \times \text{PV(Cash Flows in Scenario}_i\text{)}]$$

For Indian film copyrights, the scenario probabilities must reflect the realities of Bollywood and regional cinema: the wide distribution of commercial outcomes (a small number of blockbusters, a larger number of moderate performers, and a substantial tail of underperformers); the platform mix (OTT deals increasingly providing a floor value regardless of theatrical performance); and the star and franchise effects that meaningfully shift the probability distribution toward the upper scenarios.

**PRO TIP**

*For pre-release content valuations, always obtain the OTT or satellite broadcast deal term sheet – or a comparable from the platform for similar content – before finalising the scenario analysis. In India's current market, major OTT platforms (Netflix, Amazon Prime, Disney+ Hotstar, JioCinema) regularly acquire rights to films and series before release at prices that establish a reliable floor value. A valuation that ignores this contracted floor and treats all scenarios as open-ended significantly overstates the downside risk and understates the expected value of the copyright.*

**PART II: CORE COPYRIGHT VALUATION METHODOLOGIES****Chapter 4: The Market Approach —  
Comparable Licence Transactions and  
Content Acquisition Multiples**

The Market Approach values a copyright by reference to what the market has actually paid for comparable copyright assets — either through comparable licence agreements (establishing royalty rates) or through comparable acquisition transactions (establishing purchase price multiples for copyright portfolios). The Market Approach is most powerful as a cross-check and calibration tool: it grounds the Income Approach's royalty rate assumption in real transaction evidence, and it provides a sanity check on the DCF conclusion by comparing it to what acquirers have paid for similar content libraries.

India's copyright transaction market has become increasingly active and better documented, particularly in music, film, and software. The proliferation of OTT platforms with publicly disclosed content budgets, the growth of music catalogue acquisitions, and the increasing sophistication of Indian media M&A have all contributed to a richer dataset of market comparables than existed even five years ago. The skilled valuer who knows where to find and how to interpret this data can build a credible market-based benchmark for most copyright categories.

**4.1 Data Sources for Indian Copyright Market Comparables**

<b>Data Source</b>	<b>Type of Data Available</b>	<b>India Relevance</b>	<b>Reliability</b>
IPRS / PPL Tariff Schedules	Published music royalty rates by usage category	Very High — India-specific rates	High — statutory / society rates
OTT Platform Content Deals (Disclosed)	Content acquisition prices and licence terms	High — Indian platform benchmarks	Medium — partial disclosure only
Film Distribution Agreements	Territorial distribution royalty splits	High — Indian film trade norms	Medium — trade data, some anecdotal
Publishing House Royalty Schedules	Author royalty rates by category	High — Indian publishing benchmarks	High — industry standard rates
IT Sector SaaS / Software Licences	Software royalty and licence benchmarks	High — Indian IT sector data	Medium — mostly undisclosed
ITAT / Court Judgements (Copyright)	Royalty rates in disputed copyright assessments	Very High — Indian judicial benchmarks	High — adjudicated rates
Transfer Pricing APAs (IP-related)	CBDT-confirmed arm's-length content royalty rates	Very High — TP authority acceptance	Highest — APA-confirmed
International Comparable Databases	Global content licence benchmarks — adjusted	Medium — requires India adjustment	Medium — methodology-dependent

*Table 4.1: Data Sources for Market Approach Copyright Valuation in India*

## 4.2 Comparable Licence Transaction Analysis – Royalty Rate Benchmarking

Comparable licence transaction analysis identifies arm's-length copyright licence agreements for works sufficiently similar to the copyright being valued. Comparability factors for copyright licences include: the type of work (film vs. music vs. software vs. literary – cross-category comparison is generally not appropriate); the rights granted (exclusive vs. non-exclusive, specific media vs. all media, geographic scope); the quality and commercial reputation of the work (A-list vs. B-list content commands materially different rates); and the commercial terms (minimum guarantee vs. pure royalty vs. hybrid structures).

The most reliable comparable licence data for Indian copyright valuations comes from: IPRS (Indian Performing Right Society) and PPL (Phonographic Performance Limited) tariff schedules for music performance rights – statutory rates published by India's music collecting societies; OTT platform content acquisition deals disclosed in media industry publications and occasionally in listed company annual reports; and publishing royalty schedules from major Indian publishers (Penguin Random House India, HarperCollins India, Pan Macmillan India) which establish industry-standard author royalty rates for different book categories.

### KEY INSIGHT

*We use a database of Indian copyright licence transactions over many years of valuation practice. One of the most useful datasets is our collection of music synchronisation licence rates – the royalty paid to use a song in a film, television commercial, or OTT series. Indian synchronisation rates vary enormously: from Rs. 50,000 for a lesser-known regional song used in an independent film to Rs. 50 lakh or more for an iconic Bollywood composition used in a major brand campaign. Building a credible synchronisation rate for a music copyright valuation requires knowing this market at a granular level – not simply applying a global benchmark that has no India-specific calibration.*

## 4.3 Content Acquisition Multiples – OTT and Streaming Era Benchmarks

India's OTT streaming revolution has transformed the content acquisition market, creating more transparent and more frequent copyright transactions as platforms compete aggressively to build exclusive content libraries. Netflix, Amazon Prime Video, Disney+ Hotstar, JioCinema, and SonyLIV have collectively committed billions of dollars to Indian content acquisition – providing a rich dataset of content valuations for films, series, and live sports rights.

Content acquisition multiples in the OTT era are typically expressed as: production cost multiples (an OTT platform paying 1.5x–3x the production budget for exclusive streaming rights to a film); revenue multiples (content library valuations expressed as a multiple of annual royalty and licensing income); or per-subscriber content cost allocations (major platforms allocating their total content spend across their subscriber base to compute a per-user content cost benchmark). Each of these metrics provides a different angle on market-based copyright valuation.

## 4.4 Music Catalogue Acquisition Multiples — The Indian Market

Music catalogue acquisitions — where a financial investor or strategic acquirer purchases an artist's or label's copyright catalogue outright — have become an increasingly active market globally and are beginning to develop in India. International precedents are instructive: major artist catalogue acquisitions in the US have been priced at 20x–30x NPS (Net Publisher's Share) or higher for iconic, evergreen catalogues with growing streaming income.

In India, music catalogue acquisition multiples are at an earlier stage of development but are moving quickly as streaming income from platforms like Spotify, JioSaavn, YouTube Music, and Apple Music provides increasingly predictable royalty streams. Indian music catalogue acquisitions have been priced at 10x–18x annual streaming and licensing income for well-established Bollywood catalogues — a discount to global multiples reflecting the earlier stage of the Indian streaming market, but a significant premium over historical cost-based valuations.

### PRO TIP

*When using OTT content acquisition prices as market comparables for a film copyright valuation, always adjust the observed acquisition price for the rights bundle purchased. Many OTT content deals acquire only streaming rights for a specific window (typically 3–7 years) — they do not acquire the full copyright. A film valued on the basis of its OTT deal price alone will be significantly undervalued if the theatrical, satellite, international, music, and ancillary rights are excluded from the comparison. The full copyright value encompasses all exploitation channels over the remaining copyright term — the OTT deal price is only one component of the total.*

**PART II: CORE COPYRIGHT VALUATION METHODOLOGIES**

# Chapter 5: The Cost Approach and Multi-Method Triangulation for Copyright Assets

The Cost Approach values a copyright by reference to the cost of creating an equivalent work from scratch — either the historical production or development cost (historical cost method) or the current cost of recreating the same creative output (replacement cost method). For most copyright assets, the Cost Approach has significant limitations that restrict its role to a supplementary floor measure rather than a primary valuation method. Understanding these limitations is as important as understanding when the approach is appropriate.

## 5.1 The Cost Approach — Logic and Specific Limitations for Copyright

The fundamental premise of the Cost Approach — that a rational buyer would not pay more than the cost of creating an equivalent asset — breaks down for creative copyright assets in a critical way: creative originality is not reproducible by expenditure. A Rs. 100 Crore production budget does not guarantee a commercially successful film — and conversely, a low-budget film produced for Rs. 5 Crore may generate Rs. 200 Crore in revenue if the creative execution resonates with audiences. The relationship between production cost and commercial value is notoriously weak in creative industries.

This fundamental weakness means that the Cost Approach is almost never the primary methodology for copyright valuation. It serves as: a floor value for pre-release content (what has already been invested cannot be recovered, providing a minimum economic value floor); a cross-check for Income Approach valuations (if the Income Approach value is below production cost, why is the copyright worth less than it cost to create — and is the Income Approach assumption too conservative?); and a practical approach for early-stage or development-stage works where no revenue history or market comparable exists.

Method	Primary Use Case	Key Input	Key Limitation for Copyright
DCF — Stream-by-Stream (Income)	Complex, multi-channel copyright assets	Revenue forecasts by exploitation channel	Sensitive to growth and discount assumptions
Relief from Royalty (Income)	Software, publishing, music — established royalty rates	Comparable licence royalty rates	Royalty rate selection can be contested
Comparable Licence Transactions (Market)	Works with active comparable licensing markets	Arm's-length royalty benchmarks	Indian comparable data limited in some sectors
Content Acquisition Multiples (Market)	Film libraries, music catalogues with track records	NPS multiples, revenue multiples	Comparable selection sensitive to content quality

Method	Primary Use Case	Key Input	Key Limitation for Copyright
Historical Production Cost (Cost)	Pre-release, development-stage content	Capitalised production expenditure	No link to commercial outcome – unreliable floor
Replacement Cost (Cost)	Unique archival or specialist content	Current cost to recreate equivalent	Creative originality not reproducible by cost

Table 5.1: Copyright Valuation Method Comparison – Applications and Limitations

## 5.2 Historical Production Cost – Application and Caveats

Historical production cost represents the total investment in creating the copyright – the direct costs of production (talent fees, technical crew, equipment, location, post-production) plus the indirect costs attributed to the project (overhead allocation, financing costs, marketing and distribution investment). For film and music, detailed production cost records are typically available from production accounts. For software, the development cost is built up from the developer hours and associated costs recorded in the development project accounts.

The primary caveat for using historical production cost as a value proxy is the 'sunk cost fallacy' – the cost spent to create the work has no necessary relationship to its market value. A Rs. 200 Crore film that performs poorly at the box office is worth far less than Rs. 200 Crore in copyright value – perhaps only the OTT streaming deal value and ancillary rights, which might total Rs. 30–50 Crore. Conversely, an iconic piece of software developed 15 years ago at a cost of Rs. 2 Crore may be generating Rs. 20 Crore in annual licence fees today. Historical cost must never be presented as a copyright value without an explicit Income Approach sanity check.

### KEY INSIGHT

*We have been approached by media companies seeking 'cost-based' copyright valuations for their content libraries – typically because they believe cost will produce a lower value for stamp duty or tax purposes on intra-group transfers. This approach is almost always incorrect and potentially dangerous. The Income Tax Act requires that copyright transfers be valued at Fair Market Value – an income-based concept that requires the DCF or RfR approach for any copyright generating commercial revenue. A purely cost-based valuation for a revenue-generating copyright will be challenged by the tax authority, who will determine FMV using the income approach and assess the difference as deemed income. We always use the income approach as the primary method and present cost as a cross-check, never the primary conclusion.*

## 5.3 Multi-Method Triangulation – The Standard for Professional Copyright Valuation

A professional copyright valuation applies multiple methods, understands why they converge or diverge, and uses the analysis to produce a defensible value range. The standard triangulation for a major copyright asset combines: the primary DCF or RfR Income Approach (the anchor value); the Market Approach using comparable licence rates or acquisition multiples (the market calibration); and the Cost Approach (the floor check). The three approaches should ideally produce

values within a 20–30% band — convergence provides confidence; wide divergence requires investigation and explanation.

For large copyright portfolios — music catalogues with thousands of compositions, film libraries with hundreds of titles, software codebases with complex architecture — full title-level DCF modelling is impractical. Portfolio-level valuation uses a 'stratified sampling' approach: full DCF models are built for the top 20–30 assets by expected value, and statistical extrapolation or aggregate royalty rate analysis is used for the remaining portfolio. The stratified sample typically captures 70–80% of the total portfolio value, with the remainder estimated by proportion — a methodologically sound approach that balances rigour and practicality.

**PRO TIP**

*When triangulating across methods for a film copyright valuation, present the three method outputs as a 'waterfall of certainty': rights contracted (OTT deal value + signed satellite deal) as the floor (highest certainty, lowest value); rights probable (estimated theatrical + signed + probable ancillary) as the base case; and rights potential (full exploitation across all channels over full copyright term) as the ceiling. This structure shows clients, auditors, and regulators exactly what is certain, what is probable, and what is aspirational — and allows the valuation conclusion to be clearly anchored to a specific point in the certainty range.*

**PART III: TRANSACTION & REGULATORY APPLICATIONS**

# Chapter 6: Copyright in M&A – Purchase Price Allocation under Ind AS 103

Every acquisition of a media company, entertainment business, software company, publishing house, or any other copyright-intensive enterprise requires a Purchase Price Allocation (PPA) under Ind AS 103 that identifies and measures all copyright and content assets at fair value as of the acquisition date. The PPA for a copyright-intensive business is among the most technically demanding intangible asset exercises in Indian M&A practice – requiring a combination of legal rights analysis, creative industry sector expertise, and rigorous financial modelling that is rarely found in a single team.

The stakes of the PPA exercise are high. The copyright values assigned on acquisition date determine the amortisation charges that will flow through the acquirer's income statement for years post-acquisition, affecting reported EBITDA, PBT, and EPS. A film library valued at Rs. 300 Crore with a 10-year average remaining useful life generates Rs. 30 Crore of annual amortisation – a material non-cash charge that the deal team should have modelled before agreeing on the acquisition price.

## 6.1 Copyright Asset Identification – The Full Scope

The copyright identification exercise for a media or technology M&A transaction must be comprehensive, covering all forms of copyright that the target owns or controls. The identification checklist should include: original content owned by the company (films, music, books, software produced in-house); content acquired by assignment or exclusive licence from third parties (distribution rights, streaming rights, publishing rights); content produced under work-for-hire arrangements (content where the company, as employer, owns the copyright); platform and technology copyrights (website code, mobile application code, database structures, user interface designs); and commissioned content (content created by external parties but owned by the company under commissioning agreements).

A common error in media company PPAs is the failure to distinguish between content that the company owns outright (full copyright), content that it controls under exclusive licence (contractual rights, not copyright ownership), and content that it distributes on behalf of third parties (no IP rights – only a distribution fee). Only the first two categories contribute to the intangible asset value in the PPA – distribution rights without a transferable licensing component are not separable intangible assets under Ind AS 38.

Copyright Asset Class	Valuation Method	Typical Useful Life	Ind AS 38 Treatment
Film / Cinematograph Rights	DCF – stream-by-stream	5–20 years (finite)	Amortised over useful life
Music Catalogue – Compositions	RfR / DCF	Indefinite (if evergreen) or 15–30 yrs	Indefinite life or amortised
Music – Master Recordings	RfR / DCF	15–30 years	Amortised over useful life
Software – Core Platform Code	RfR / DCF	3–10 years	Amortised over useful life
Publishing Rights – Books	RfR / DCF	5–20 years	Amortised over useful life
Database Rights	DCF – subscription model	3–10 years	Amortised over useful life
OTT Content Library	DCF – platform licence model	3–15 years (contract-dependent)	Amortised over licence term
Goodwill (Residual)	Residual computation	Indefinite	Ind AS 103 – impairment only

Table 6.1: Copyright Asset Classification in M&A Purchase Price Allocations under Ind AS 103

## 6.2 Useful Life Determination for Copyright Assets in PPA

The useful life assigned to copyright assets in the PPA is a critical determination that must be made individually for each major asset class and, for large libraries, on a weighted-average basis across the portfolio. Ind AS 38 requires that the useful life reflect the period over which the asset is expected to generate economic benefits – not the legal copyright term, which typically far exceeds the asset's commercial life.

For film libraries, the useful life is typically driven by: the commercial viability of the specific film titles (blockbusters and classics have longer lives than average performers); the remaining contractual term of signed distribution agreements; the platform's content refresh cycle (OTT platforms typically cycle through content every 5–7 years); and the pattern of historical revenue decline for comparable film catalogues. For music catalogues, the useful life question turns on whether the catalogue contains 'evergreen' compositions with indefinite commercial appeal (potentially warranting an indefinite life classification under Ind AS 38) or primarily contemporary hits with a shorter commercial window.

## 6.3 Post-PPA Financial Statement Impact – Planning for the Acquirer

The post-PPA financial statement impact must be modelled before the deal closes. Key planning considerations for the copyright-acquiring company include: the annual amortisation charge on finite-life copyright assets (a non-cash reduction of EBITDA and PBT); the annual impairment test requirement for indefinite-life music catalogues and goodwill (a risk of future impairment charge if content monetisation underperforms); the deferred tax liability arising from the fair value step-up on acquired copyright assets (creating a deferred tax liability on the acquisition balance sheet); and the earnings dilution risk if copyright amortisation is not offset by the acquired content's actual revenue generation.

**PRO TIP**

*Model the post-PPA EBITDA and PAT of the combined entity for the first three years post-acquisition, explicitly including the copyright amortisation charge. If the post-PPA reported PAT is materially lower than the pre-PPA deal model suggested, consider whether the deal price needs to be renegotiated or whether the transaction structure should be modified to reduce the intangible asset recognition (for example, by structuring part of the consideration as a content licensing arrangement rather than an outright acquisition). The PPA is not merely an accounting exercise – it directly informs deal structuring.*

**PART III: TRANSACTION & REGULATORY APPLICATIONS**

# Chapter 7: Transfer Pricing for Cross-Border Content and Copyright Royalties

Cross-border copyright royalties — payments made by Indian entities to foreign parent companies for the right to use software, stream content, or exploit other copyright-protected works in India — are among the most active and most contested areas of TP in India today. The dramatic growth of Indian digital consumption, the entry of global OTT platforms into India, and the expansion of Indian IT companies' global operations have all generated enormous volumes of cross-border copyright royalty flows that must be priced on an arm's-length basis.

The Indian TP regulations require that all international transactions between AEs be conducted at arm's-length prices. For copyright royalties, this means: the royalty rate must be benchmarked against CUTs between unrelated parties; the royalty base (the revenue or activity metric on which the royalty is computed) must be clearly defined and consistently applied; and the arrangement must reflect the actual functions performed, assets used, and risks borne by each party — the DEMPE framework is increasingly applied to copyright and content IP as well as patents.

## 7.1 The Indian TP Context for Copyright Royalties

India's TP regime has historically been aggressive in challenging copyright royalty payments, particularly in two contexts: software royalties paid by Indian IT companies to their foreign subsidiaries or affiliates for the right to sub-licence software to Indian clients; and content streaming royalties paid by Indian OTT platforms or broadcasters to foreign content owners for the right to stream or broadcast content in India. In both contexts, the TPO has challenged royalty rates as excessive, argued that the Indian entity's marketing and distribution activities create a local marketing intangible that reduces the royalty payable, and sought to reclassify royalty payments as service fees subject to lower or different TP treatment.

TP Method	Best Suited For Copyright	Content Type	Key Documentation Requirement
Comparable Uncontrolled Transaction (CUT)	Royalty rates with observable comps	Music, software, publishing	Comparable licence agreements + adjustments
Comparable Uncontrolled Price	Standard content format licences	OTT / satellite rights packages	Market rate benchmark + format comparability
Profit Split Method (PSM)	Integrated platform + content bundles	Technology platforms with content	Functional analysis + contribution analysis
Residual Profit Split	Unique, high-value IP content	Blockbuster film / iconic music	Routine return analysis + residual attribution
TNMM	Routine content distribution / sub-licensing	Distribution intermediaries	Net margin benchmarks for comparable distributors

Table 7.1: Transfer Pricing Methods for Cross-Border Copyright Royalty Arrangements

## 7.2 Software Copyright Royalties — The IT Sector's TP Challenge

Indian IT services companies that develop software for export, acquire software licences from foreign group entities for resale or sub-licensing in India, or receive technology support fees for maintaining software platforms operated by foreign affiliates face complex copyright TP issues. The primary TP question is: what is the arm's-length royalty for the use of the foreign affiliate's software platform, source code, or proprietary tool set by the Indian entity in its delivery of IT services?

The benchmarking for software copyright royalties relies on: comparable sub-licence agreements disclosed in IT sector annual reports; SEBI-required related-party disclosures for listed Indian IT companies that pay royalties to foreign parents; and international databases of software licence agreements (ktMINE, RoyaltySource) adjusted for the India market context. Software royalty rates in Indian IT sector TP assessments have typically been confirmed in the 3%–8% range for standard enterprise software platforms — higher for bespoke, proprietary platforms with unique functionality, lower for standard commercial software with readily available alternatives.

### KEY INSIGHT

*We supported an Indian IT services company in an APA application involving software copyright royalties paid to its US parent for access to a proprietary AI-enabled project management platform. The platform had no direct comparable in the market, making the CUT method difficult to apply. We used a residual profit split approach — separating the routine distribution and delivery margin of the Indian entity from the residual profit attributable to the proprietary platform — and confirmed an arm's-length royalty of 5.5% of the Indian entity's revenue from engagements using the platform. The APA was accepted by CBDT for a 5-year period, providing complete TP certainty on this transaction and eliminating the risk of assessment and litigation for the entire APA period.*

## 7.3 OTT and Content Streaming Royalties — A Rapidly Evolving TP Landscape

India's OTT streaming market — where global platforms like Netflix, Amazon Prime, and Disney+ pay Indian content owners for streaming rights, and conversely where Indian subsidiaries of global platforms pay their foreign parents for content acquired internationally — creates complex cross-border copyright royalty flows in both directions. Each flow must be independently benchmarked.

For Indian content owners licensing their content to foreign streaming platforms, the royalty rate must reflect the arm's-length value of the specific content in the specific territory — a benchmarking exercise that requires knowledge of comparable Indian content deals with foreign platforms. For Indian subsidiaries of global OTT platforms paying for imported content, the benchmark requires knowledge of what independent Indian OTT platforms pay for equivalent foreign content — a thinner comparable dataset but an increasingly available one as the Indian OTT market matures.

## 7.4 The DEMPE Framework for Copyright IP – India's Evolving Standard

OECD's BEPS Action 8 has introduced the DEMPE concept (Development, Enhancement, Maintenance, Protection, and Exploitation) into the IP TP framework, requiring that economic rights to IP income be allocated to entities that perform and control the DEMPE functions, not merely the legal owner of the copyright. For India, this framework has significant implications for Indian subsidiaries that contribute materially to the development and enhancement of software or content IP owned by a foreign parent — such entities may have a stronger claim to a larger share of the copyright income than a pure legal ownership analysis would suggest.

### **PRO TIP**

*When preparing Transfer Pricing documentation for cross-border copyright royalty arrangements, always include a 'content value chain analysis' that maps: who created the original copyrighted work (the original author or developer); who has enhanced, updated, or adapted it for the Indian market; who bears the commercial risk if the content performs poorly in India; and who controls the exploitation strategy in India. This functional analysis directly addresses the DEMPE framework and provides the evidentiary foundation for the TP royalty rate. Without this analysis, the TPO can argue that the Indian entity's creative and commercial contributions are not reflected in its compensation.*

**PART III: TRANSACTION & REGULATORY APPLICATIONS**

# Chapter 8: FEMA, Income Tax, and Regulatory Compliance in Copyright Transactions

Cross-border copyright transactions involving Indian parties are subject to a layered regulatory framework that encompasses FEMA's foreign exchange rules, the Income Tax Act's provisions on withholding tax and deemed consideration, and sector-specific regulations applicable to media, broadcasting, and information technology. Understanding this framework is essential for structuring cross-border copyright transactions that are both commercially efficient and fully compliant.

## 8.1 FEMA Compliance for Copyright Transfers and Assignments

The outbound transfer of copyright from an Indian entity to a foreign entity — for example, an Indian film production company selling its worldwide copyright in a film to a foreign distributor, or an Indian software company assigning its codebase copyright to a foreign parent — constitutes an outbound remittance subject to FEMA's Overseas Investment Rules, 2022. The transaction price must not be less than the fair market value of the copyright as determined by a SEBI-registered Category I Merchant Banker or an IBBI Registered Valuer.

For inbound copyright transfers — a foreign studio assigning Indian distribution rights to an Indian subsidiary, or a foreign software company licensing its codebase to an Indian entity — the FEMA Non-Debt Instruments Rules and standard import of services norms apply. The consideration must be at arm's-length value, and any royalty payment structure must comply with FEMA's current account regulations for service payments and royalty remittances. The automatic route for technology collaboration agreements — which covers royalty payments up to 5% on domestic sales and 8% on exports — is relevant for many copyright licensing arrangements.

## 8.2 Income Tax Withholding on Copyright Royalties

Royalty payments made by Indian entities to non-resident copyright owners are subject to withholding tax under Section 9(1)(vi) of the Income Tax Act, 1961. Under the domestic law, 'royalty' is defined broadly in the Explanation to Section 9(1)(vi) to include: consideration for the transfer of all or any rights in respect of copyright; consideration for the imparting of any information concerning the working of or the use of a copyright; and consideration for the rendering of any services in connection with the use of a copyright.

The domestic withholding tax rate on royalties paid to non-residents is 20% plus applicable surcharge and cess. Most Indian DTAs provide a reduced rate of 10%–15% for royalties as defined in the treaty. The treaty definition of 'royalty' may be narrower than the domestic definition — particularly for software licensing, where the classification as 'royalty' versus 'business income' has been extensively litigated and the Supreme Court has provided important guidance in favour of treating software payments as business income (not royalty) in specific fact patterns.

### 8.3 Section 56(2)(x) – Fair Market Value for Copyright Transfers

Section 56(2)(x) of the Income Tax Act imposes a deemed income charge on any person who receives a copyright (or any other property) for inadequate consideration – where the fair market value exceeds the actual consideration by more than Rs. 50,000. For intra-group copyright transfers – between a parent and subsidiary, or between group companies – the FMV requirement mandates an independent valuation to support the agreed consideration. A copyright transferred at below-market value creates deemed income for the recipient, assessed at the difference between FMV and actual consideration.

The FMV for a copyright under Section 56(2)(x) is defined by Rule 11UA of the Income Tax Rules as the value determined by a 'merchant banker or an accountant' using accepted valuation methodologies. For income-generating copyrights, the FMV must be based on an income approach – not historical cost. Companies that rely on book value or cost as the basis for intra-group copyright transfers without an independent income-based valuation report face significant reassessment risk.

### 8.4 Section 115BBF – Copyright Income Tax Benefits

Section 115BBF provides a concessional income tax rate of 10% on royalty income from patents that are developed and registered in India. A related but distinct provision – Section 80QQB – provides a deduction of up to Rs. 3 lakh for royalty income received by Indian authors in respect of books other than textbooks. These provisions reflect the legislative intent to encourage Indian creativity and innovation through preferential tax treatment of certain copyright income streams.

For copyright valuation purposes, the applicable tax rate directly affects the post-tax royalty income used in the DCF or RfR model. Software copyright income is generally taxed at the standard corporate rate (25% + surcharge and cess for companies with turnover below Rs. 400 Crore). Film and music royalty income from Indian sources is taxed at the standard rate; however, income received by non-resident copyright owners from Indian sources is subject to the withholding tax rates discussed above. The after-tax model must use the correct tax rate for the specific copyright type and the specific rights holder.

#### PRO TIP

*When structuring the copyright ownership architecture for a new media, technology, or publishing business, engage a tax adviser and a copyright valuation expert simultaneously – before the first significant content asset is created or acquired. The ownership structure determines the applicable tax rates, the TP exposure for any intra-group royalties, and the FEMA compliance requirements for cross-border exploitation. Retroactively restructuring copyright ownership is technically complex, expensive, and typically triggers both stamp duty and income tax consequences. The optimal structure – determined upfront with both legal and valuation input – can significantly improve after-tax returns from the copyright portfolio over its commercial life.*

**PART IV: SECTOR-SPECIFIC COPYRIGHT VALUATION**

# Chapter 9: Music Copyright Valuations — Catalogues, Publishing Rights, and Streaming Economics

Music is one of the most economically dynamic and most technically complex categories of copyright. A single song may generate revenue across multiple rights channels simultaneously — mechanical royalties from streaming and download, performing right royalties from broadcast and live performance, synchronisation licence fees from use in films and advertisements, and neighbouring right royalties for the performer's contribution to the recording. Each channel has different collection mechanisms, different royalty rates, different collection societies, and different economic characteristics that must be separately modelled in a rigorous music copyright valuation.

India's music industry has been fundamentally transformed by streaming. The transition from a physical media model (CDs, cassettes) through a digital download era to the streaming-dominant present has created music copyright income streams that are more predictable, more geographically diversified, and more financially bankable than at any previous point in Indian music history. For copyright valuers, this transformation is enormously positive: streaming royalty streams from DSPs (Digital Service Providers) provide transparent, auditable, per-stream royalty data that is far more reliable as a valuation input than the opaque and underdocumented historical revenue of Indian music companies.

## 9.1 The Indian Music Rights Architecture — IPRS, PPL, and the 2012 Amendment

India's music rights are administered through two primary collecting societies: IPRS (Indian Performing Right Society), which administers performing rights in musical works and lyrics on behalf of composers and lyricists; and PPL (Phonographic Performance Limited), which administers performing rights in sound recordings (master recordings) on behalf of music labels and producers. Both societies negotiate blanket licensing arrangements with broadcasters, streaming platforms, and event organisers and distribute collected royalties to their members.

The Copyright (Amendment) Act, 2012 introduced a landmark provision — Section 19(9) — that gives composers and lyricists a non-waivable right to receive royalties from the exploitation of their works in media beyond the original work for which the copyright was assigned. This means that even after a film producer has assigned a film's music rights to a music label, the composer and lyricist retain a statutory right to a share of royalties from streaming, broadcasting, and synchronisation licensing. For music copyright valuations, this provision significantly affects the value of rights held by labels (which must share royalties with the creators) versus the value of rights retained by creators themselves.

Music Rights Category	Description	Primary Revenue Source	Valuation Method
Musical Composition (Publisher's Share)	Melody, harmony – songwriter's copyright	Mechanical, performing, sync royalties	RfR / DCF – NPS multiple
Musical Composition (Writer's Share)	Author's non-assignable 50% in India	IPRS distributions – retained by author	DCF – income stream to author
Master Recording (Sound Recording)	Specific recorded performance	Streaming, broadcast, sync – PPL / IPRS	DCF – streaming income model
Synchronisation Right	Right to use music in film / TV / ad	Sync licence fees – one-time / recurring	RfR – comparable sync benchmarks
Neighbouring Rights	Performers' rights in recordings	Broadcast and streaming royalties	DCF – IPRS performer distribution
Music Publishing Income (MPI)	Net publisher share after songwriter split	Mechanical + performing + sync	DCF / NPS multiple

Table 9.1: Music Copyright Rights Categories and Valuation Methods

## 9.2 Music Catalogue Valuation – The NPS Multiple Approach

The most widely used market-based metric for music catalogue valuation globally is the NPS (Net Publisher's Share) or NMS (Net Music Share) multiple – expressing the catalogue's purchase price as a multiple of its annual net income to the rights holder. In the US and UK, iconic catalogue acquisitions have transacted at 20x–35x NPS in recent years. In India, where the streaming market is younger and royalty income less predictable, catalogue acquisitions have been priced at 10x–20x annual streaming and licensing income – with premium catalogues of iconic Bollywood films and compositions commanding the higher end of this range.

Building the NPS model for an Indian music catalogue requires: identifying all compositions and master recordings in the catalogue; sourcing the streaming data from each DSP (typically provided by the distributor or aggregator as a detailed report); computing the annual royalty from each stream type (mechanical, performing, synchronisation); applying the applicable royalty rate for each territory and platform; deducting collecting society administration fees (typically 15%–25% of gross collections); and deducting any ongoing creator royalty sharing obligations under Section 19(9) to arrive at the net income to the catalogue owner.

## 9.3 Streaming Economics – The Foundation of Modern Music Valuation

Streaming has become the dominant music revenue channel globally and in India. The economics of music streaming are fundamentally different from physical or digital download sales: streaming generates a per-stream royalty (typically fractions of a rupee per stream) rather than a per-unit purchase price – making volume (total streams) the primary commercial metric. High streaming volumes for a copyright generate a predictable, recurring royalty stream that is ideal for capitalisation-based valuation.

Key streaming valuation parameters for Indian music copyrights: per-stream royalty rates vary by platform (Spotify typically pays higher rates than YouTube; JioSaavn and Gaana pay lower rates reflecting lower subscription prices in the Indian market); total addressable streaming volume is

growing rapidly as smartphone and data penetration increases across India; and the proportion of premium (paid subscription) versus ad-supported streaming affects per-stream rates — premium streams typically generate 5–10x higher royalties than ad-supported streams. Valuers must model both the volume trajectory and the premium-versus-free mix to arrive at a defensible streaming income forecast.

**PRO TIP**

*When valuing a music catalogue with significant streaming income, obtain the streaming data directly from the distributor's reporting portal (TuneCore, DistroKid, The Orchard, or the label's proprietary distribution system) rather than relying on self-reported management summaries. Distributor reports include per-platform, per-territory, per-title streaming data in the format required by DSPs — far more granular and auditable than management summaries. Always verify at least 12 months of streaming data independently before finalising the revenue model for a music catalogue valuation.*

**PART IV: SECTOR-SPECIFIC COPYRIGHT VALUATION****Chapter 10: Film, OTT, and Digital Media Content Valuations**

The Indian film and OTT content industry is one of the world's largest and most economically complex copyright ecosystems. Over 1,500 films are produced annually across Hindi, Telugu, Tamil, Malayalam, Kannada, Bengali, and other regional languages — each representing a bundle of copyright assets with different exploitation profiles, market sizes, and value trajectories. Overlaying this is the OTT revolution that has fundamentally changed how content is monetised: the simultaneous existence of theatrical, satellite, OTT streaming, international, and ancillary rights windows creates a multi-dimensional copyright value structure that demands sophisticated channel-by-channel financial modelling.

The economic scale of Indian film copyright is enormous and growing. A successful Bollywood blockbuster — a Pan-India release featuring A-list talent — may generate copyright income across theatrical, OTT, satellite, music, international, and ancillary channels totalling Rs. 400–800 Crore or more over its exploitation life. Even a mid-budget regional language film may generate Rs. 50–150 Crore of total copyright income. These are genuinely significant assets that deserve — and require — serious professional valuation.

**10.1 The Film Copyright Revenue Waterfall — Channel-by-Channel Analysis**

The revenue waterfall for a film copyright flows through a defined sequence of exploitation windows, each window generating different amounts at different times with different certainty levels. The theatrical window — typically 4–8 weeks for major releases — generates the most visible and most immediately realised revenue but also the most uncertain (box office results are notoriously unpredictable). The OTT window — typically beginning 4–8 weeks after theatrical release for major platforms — increasingly provides a contracted floor value through pre-sold streaming rights. The satellite/cable television window — previously the largest and most reliable revenue stream — is under structural pressure from OTT but remains significant.

Content Type	Primary Revenue Channel	Valuation Approach	Key Value Driver
Theatrical Film (Major Release)	Theatrical box office + OTT + satellite	DCF — channel-by-channel waterfall	Star power, genre, release timing
OTT Original Series	Streaming platform exclusivity fee	DCF — contracted + future seasons	Viewer ratings, renewal probability
Documentary / Non-Fiction	OTT + educational + broadcast	RfR — institutional licence rates	Subject matter longevity
Animation Content	Broadcast + OTT + merchandise	DCF — long tail franchise model	Character IP and franchise potential
Live Event Content	Broadcast + streaming pay-per-view	DCF — event-specific model	Event exclusivity and repeat viewership

Table 10.1: Film and OTT Content Copyright Valuation — By Content Type

## 10.2 Pre-Sale Rights — The OTT Floor Value

One of the most significant developments in Indian film copyright valuation in the past five years is the growing practice of OTT platform pre-sales — where a streaming platform acquires the OTT streaming rights to a film before its theatrical release, paying a guaranteed minimum regardless of box office performance. These pre-sales transform a portion of the film's copyright value from highly uncertain (dependent on theatrical performance) to contracted and certain (the OTT deal is a receivable, not a forecast).

For copyright valuation purposes, pre-sold OTT rights should be valued at their contractual present value — discounted at a low credit risk rate reflecting the financial strength of the platform counterparty. Netflix India, Amazon Prime Video India, and Disney+ Hotstar India have strong credit profiles, making their content payment obligations highly bankable. A film with a signed OTT deal for Rs. 40 Crore, two years of theatrical release to OTT window, has a present value of approximately Rs. 36–38 Crore — a contracted floor value that provides a reliable anchor for the overall copyright valuation.

## 10.3 OTT Original Content Valuations — The Platform-Commissioned Model

OTT-original content — series and films commissioned directly by streaming platforms — presents a different valuation challenge from independently produced theatrical films. OTT originals are typically commissioned on a 'cost-plus' or 'cost-reimbursement' basis — the platform pays the production cost plus a profit margin, and retains the copyright. From the platform's perspective, the copyright value of OTT originals is part of the total content asset portfolio that supports subscriber acquisition and retention.

For platforms that own OTT original content libraries — Indian streaming services seeking financing, potential M&A acquirers, or investors in the OTT sector — the valuation of the content library must assess: the subscriber retention value of the existing content (how many subscribers would cancel if the platform's original content were unavailable?); the future production budget required to maintain the content pipeline; and the international licensing value of the original content in markets beyond India.

## 10.4 Animation and Children's Content — The Long-Tail Franchise Model

Animation content occupies a unique valuation position in the copyright landscape: it ages more slowly than live-action content, can generate merchandise and licensing income beyond the content itself, and has the potential for franchise development across sequels, spin-offs, and character licensing. Indian animation companies — Tata Elxsi, DQ Entertainment, Cosmos-Maya — have built valuable copyright libraries that deserve specific valuation treatment distinct from live-action content.

Animation copyright valuation must explicitly model: the 'longevity premium' — the extended useful life of animated characters and worlds relative to live-action equivalents; the merchandise licensing royalty stream — character licensing to toy manufacturers, apparel brands, and experience operators; the broadcast and streaming rights across children's platforms globally; and

the sequel and franchise development optionality — the real option value of being able to produce additional content featuring established characters with known audience loyalty.

**PRO TIP**

*For animation copyright portfolios, always prepare separate valuation models for: (1) the existing content library (the produced episodes and films — valued on a DCF basis from contracted and projected content fees); (2) the character IP (the underlying character designs, names, and personalities — valued on a merchandise royalty RfR basis); and (3) the franchise development optionality (the probability-weighted value of future seasons and spin-offs — modelled as a real option). These three components have different risk profiles, different useful lives, and different appropriate methodologies. Blending them into a single revenue model produces a misleading result.*

**PART IV: SECTOR-SPECIFIC COPYRIGHT VALUATION****Chapter 11: Software, Database, and Technology Copyright Valuations**

Software copyright is the largest single category of copyright economic value in the modern economy — and in India, whose technology sector generates over \$250 billion in annual exports built almost entirely on software copyright, it is the most economically significant form of intellectual property across any dimension. The valuation of software copyrights — source code, object code, algorithms, databases, user interfaces, and the architecture they comprise — is therefore among the most important and most frequently required applications of copyright valuation in Indian professional practice.

Software copyright presents unique valuation challenges: unlike music or film copyrights, where the commercial value is driven by audience reception of a specific creative work, software value is driven by technical utility, functional superiority, and switching costs. A software codebase that is technically superior today may be obsolete in three years as new architectures, programming paradigms, or platform environments emerge. This rapid technological obsolescence is the defining characteristic of software copyright valuation — and the primary reason that software copyrights almost always have finite, relatively short useful lives in the PPA context.

**11.1 Software Copyright — Legal Framework and Scope**

Computer programmes are protected as literary works under Section 2(o) and Section 13 of the Copyright Act, 1957 — which defines 'literary work' to include 'computer programmes, tables, and compilations including computer databases.' This protection covers both source code (the human-readable programme text written by developers) and object code (the machine-readable compiled form of the programme). It also covers the structure, organisation, and architecture of a software system — not merely the literal code — though the protection of 'look and feel' and non-literal elements of software has been less clearly established in Indian jurisprudence than in US or UK law.

The economic significance of this legal protection is that the copyright owner has the exclusive right to reproduce, distribute, and adapt the software — creating the legal foundation for the licence model that underpins the entire software industry's economics. Every SaaS subscription, every enterprise software licence, every API usage fee, and every app download is an authorised reproduction and use of software copyright that the copyright owner controls.

Software Copyright Type	Description	Valuation Method	Key Value Driver
Proprietary Enterprise Software	Custom ERP, CRM, industry platform	RfR — enterprise licence benchmarks	Customer base, switching cost, maintenance revenue
SaaS Platform Codebase	Cloud-hosted subscription software	DCF — ARR / MRR model	Annual Recurring Revenue, Net Revenue Retention

Software Copyright Type	Description	Valuation Method	Key Value Driver
Mobile Application	Consumer or enterprise mobile app	DCF — user monetisation model	DAU/MAU, ARPU, app store ranking
Embedded Software / Firmware	Software in hardware devices	RfR — chip / device licence rate	Device volume, hardware dependency
Open-Source with Commercial Tier	OSS core + commercial extensions	DCF — commercial tier only	Commercial conversion rate, enterprise customer count
Database and Content Repository	Structured data collections	DCF — subscription / API access fees	Data uniqueness, depth, API integrations
AI / Machine Learning Model	Trained algorithm — weights + architecture	Contribution analysis + DCF	Model performance advantage, retraining cost

Table 11.1: Software and Technology Copyright Types — Valuation Approaches

## 11.2 SaaS Platform Copyright Valuation — The ARR-Based Model

Software-as-a-Service platform copyright is typically valued using a DCF model anchored in Annual Recurring Revenue (ARR) — the predictable, subscription-based revenue that the software generates from its installed customer base. The ARR model is the natural valuation framework for SaaS because: subscriptions are contractually committed income that is highly predictable within the current contract term; Net Revenue Retention (NRR) — the percentage of ARR retained from existing customers including expansions and less churn — provides a forward-looking indicator of organic growth without new customer acquisition; and Gross Margin on SaaS revenue is typically high (70%–85%), making the operating cash flow profile significantly more attractive than revenue alone suggests.

### **SaaS Copyright Value = ARR × Revenue Multiple (calibrated to NRR, Growth Rate, and Gross Margin)**

For Indian SaaS companies, the ARR multiple — which bridges from revenue to enterprise value and is therefore closely related to the copyright value per unit of revenue — has been calibrated by the market. Indian-listed SaaS companies have traded at 5x–15x ARR depending on growth rate and NRR. In M&A transactions, software copyright values have been established at 4x–10x ARR for the software IP component of the deal — with the balance of enterprise value attributable to customer relationships, assembled workforce, and the distribution network.

#### **KEY INSIGHT**

*We conducted a software copyright valuation for the PPA of an Indian B2B SaaS company acquired for Rs. 320 Crore. The company had no patents and minimal tangible assets — the acquisition was essentially a pure copyright play. Our valuation identified three layers of software copyright: the core platform code (the proprietary software architecture, valued at Rs. 95 Crore using the RfR method at a 6% royalty rate on ARR); the integration connectors and APIs (valued at Rs. 28 Crore); and the data processing algorithms (valued at Rs. 18 Crore). The total software copyright value of Rs. 141 Crore — against a historical book value of the*

*capitalised development costs of Rs. 8 Crore — illustrates the systematic understatement of software IP on Indian technology company balance sheets. The annual amortisation from the PPA was Rs. 28 Crore, materially affecting the acquirer's reported earnings profile.*

### 11.3 Database Copyright Valuation — Data as an Economic Asset

Databases — whether structured collections of financial data, legal precedents, medical records, customer transaction histories, geospatial information, or market research data — are protected as copyright works under the Copyright Act (Section 2(o) includes 'computer databases' within literary works). The economic value of a database copyright derives from: the uniqueness and non-substitutability of the data collected; the cost and time required to accumulate equivalent data from scratch; the revenue generated from subscription access, API licensing, and data analytics services; and the network effects that grow the database's value as more users contribute and consume data.

Database copyright valuation uses a hybrid approach: the DCF method to project subscription and API revenue from existing and prospective data consumers; the RfR method to benchmark the implied licence fee against comparable data subscription services; and a replacement cost analysis to establish the floor value (the cost and time required to recreate the database from scratch). The three methods provide a value range within which the specific conclusion can be anchored based on the database's actual commercial position.

### 11.4 AI and Machine Learning Model Copyright — The Emerging Valuation Frontier

The trained weights of an AI model — the billions of parameters that define a trained neural network's learned behaviour — are increasingly recognised as valuable copyright assets. In India, the copyright status of AI training outputs is evolving: the Copyright Act protects computer programmes (the code of the AI model architecture) but the legal status of trained weights as a separate copyrightable work is not yet definitively settled. From a valuation perspective, however, the economic value of a trained AI model — the competitive advantage it provides through superior prediction, classification, or generation capability — is real and must be accounted for in any AI company M&A transaction.

#### PRO TIP

*When valuing software copyright in a technology company acquisition, disaggregate the codebase into three layers for valuation purposes: the core proprietary platform (the unique, company-specific code that drives competitive differentiation — highest value); the middleware and integration layer (valuable but more commoditised — medium value); and the framework and library code (often open-source or standard libraries that carry minimal copyright value). A blended royalty rate applied uniformly across the entire codebase will significantly misstate the value of the core proprietary layer — which may deserve a royalty rate 3–5x higher than the standard code layers. Layer-specific valuation produces a more accurate and more defensible result.*

**PART V: INFRINGEMENT, IMPAIRMENT & REPORTING**

# Chapter 12: Copyright Infringement Damages, Impairment Testing, and the Valuation Report

The final dimension of professional copyright valuation covers three critical applications that complete the copyright practitioner's toolkit: quantifying economic damages in infringement proceedings; conducting annual impairment tests for capitalised copyright assets; and structuring the valuation report to meet professional standards and withstand regulatory or judicial scrutiny. Each application requires the full technical foundation built in the preceding chapters — but each has specific procedural, documentary, and presentational requirements that distinguish it from the transactional valuation context.

## 12.1 Copyright Infringement Damages — Economic Quantification

Section 55 of the Copyright Act, 1957 provides that the infringer of a copyright is liable to the copyright owner for damages and an injunction, as well as for the delivery up of infringing copies. Section 58 adds the right to conversion damages for possession of infringing articles. The Copyright (Amendment) Act, 2012 strengthened enforcement provisions and increased statutory damages available in certain cases. Indian courts — particularly the Delhi High Court, Bombay High Court, and Madras High Court, which handle the majority of copyright litigation — have progressively moved toward more rigorous, evidence-based damages assessments.

The economic quantification of copyright infringement damages follows the same analytical framework as patent infringement damages (addressed in our companion Patent Valuation guide), with adaptations for the specific economics of copyright exploitation. The three primary damages measures are: Lost Profits (the income the copyright owner lost because of the infringement); Reasonable Royalty (the licence fee the infringer would have paid in a hypothetical arm's-length licence negotiation); and Account of Profits (the infringer's profits attributable to the infringement — an election available to the plaintiff in lieu of lost profits).

## 12.2 Ind AS 36 Impairment Testing for Copyright Assets

Copyright assets recognised on the balance sheet — whether from acquisition in a business combination or from capitalisation of development costs for internally developed software — must be tested for impairment under Ind AS 36 whenever there is an indicator of impairment, and annually for indefinite-life assets. The impairment test compares the carrying value of the copyright asset to its recoverable amount — the higher of Value in Use (VIU) and Fair Value Less Costs of Disposal (FVLCD). If recoverable amount is less than carrying amount, the difference is recognised as an impairment loss in the income statement.

For film library copyright assets, impairment indicators include: a significant and sustained decline in streaming or broadcast audience engagement; loss of platform relationships or non-renewal of key streaming licences; emergence of superior substitute content in the same genre; and

broad audience preference shifts away from the content's genre or language. For software copyright assets, impairment indicators include: the emergence of a superior competing platform with meaningfully better functionality; customer churn accelerating beyond the historical rate; technology architecture obsolescence; and key developer talent departures that impair the company's ability to maintain the codebase.

Report Section	Required Content	Standard Reference	Common Deficiency
Scope and Purpose	Intended use, valuation date, standard of value	IVS 101 / ICAI VS	Vague purpose — regulatory ambiguity
Rights Description and Audit	Works covered, rights scope, ownership, term remaining	IVS 210 / Copyright Act	Incomplete rights audit — hidden encumbrances
Revenue Stream Analysis	Historical and projected income by channel and platform	IVS 104 / Best Practice	Single-channel model — missing revenue streams
Methodology	Primary method, secondary, rationale for selection	IVS 105	Single method — no triangulation
Royalty Rate Documentation	Comparable licences, adjustments, final rate	OECD TP Guidelines	Undocumented rate — not TP defensible
Discount Rate Derivation	WACC basis, risk premium, copyright-specific adjustments	IVS 104	Business WACC used without premium — understates risk
Sensitivity Analysis	Value range — royalty rate, growth, discount, useful life	IVS 103 / Best Practice	Single point output — no uncertainty communication
Conclusion and Limitations	Value range, qualifications, restrictions on use	IVS 101	Overconfident single number — no range

Table 12.1: Copyright Valuation Report Structure — Required Sections and Common Deficiencies

### 12.3 Professional Standards for the Copyright Valuation Report

A professional copyright valuation report must meet the requirements of the applicable professional standards — the International Valuation Standards (IVS 2022), ICAI Valuation Standards, and IBBI Registered Valuer conduct rules — as well as the specific regulatory requirements of the use case. For Transfer Pricing purposes, the report must address the OECD TP Guidelines' requirements for intangible asset documentation. For FEMA purposes, it must be signed by an IBBI Registered Valuer and dated within 6 months of the transaction. For PPA purposes, it must be prepared as of the acquisition date with explicit Ind AS 38 recognition and useful life analysis.

The report must clearly communicate: what copyright assets are being valued and what their legal scope covers; what methodology is used and why; what are the key assumptions and what is the evidence supporting each; what is the sensitivity of the value to changes in key assumptions; and what are the limitations, qualifications, and restrictions on reliance. A copyright valuation report that obscures its assumptions behind technical jargon, presents a single-point value without a

range, or fails to document the comparable transaction evidence for its royalty rate will not withstand professional scrutiny.

## 12.4 Independence and the Expert's Professional Obligation

A copyright valuation expert's most fundamental professional obligation is independence — from the client's preferred outcome, from the transactional pressure of deal timelines, and from the advocacy dynamic of litigation support. Independence in copyright valuation means reaching conclusions based solely on evidence and professional judgement, even when those conclusions are inconvenient for the client. A music catalogue valued at Rs. 45 Crore when the client expected Rs. 90 Crore requires the same professional rigour and the same communication honesty as one that exceeds expectations.

In the litigation support context, independence has a specific and critical dimension: the expert's duty is to the court, not to the instructing party. An expert who adjusts a copyright damages calculation to maximise the plaintiff's claim at the expense of analytical integrity is not performing expert witness work — they are performing advocacy. Indian courts are increasingly sophisticated about distinguishing genuine expert evidence from partisan advocacy, and the credibility and effectiveness of the expert depends entirely on the perception of independence.

### PRO TIP

*Document every significant assumption, piece of evidence considered, and analytical choice made during the copyright valuation process in a 'working file' that is separate from the final report. This file should include: all comparable licence agreements reviewed, with notes on why each was included or excluded; the comparable analysis worksheet showing the adjustments applied; the DCF model with all input assumptions and their sources; and any internal communications about the assignment. The working file is essential if the valuation is challenged in a regulatory proceeding, audit, or court case — and the discipline of maintaining it also improves the quality of the final analysis.*

## CONCLUSION

# Conclusion: Working With a Copyright Valuation Expert

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Copyright is the invisible infrastructure of India's creative and digital economy. Every film that entertains, every song that moves, every book that educates, every software that enables — each is a copyright asset generating economic value that deserves to be understood, measured, and managed with the same rigour that tangible assets receive. The gap between the economic reality of copyright value and the accounting invisibility of most copyright portfolios represents both a risk — unrecognised value lost in poorly structured transactions — and an opportunity — competitive advantage for those who understand their copyright assets deeply and manage them strategically.

This playbook has provided a comprehensive, practitioner-grade guide to copyright valuation in India across every dimension that matters: from the legal architecture of the Copyright Act, 1957 and the economic drivers of copyright value, through the three core valuation methodologies and their sector-specific adaptations, to M&A Purchase Price Allocation, Transfer Pricing compliance, FEMA and income tax requirements, infringement damages, and impairment testing. The twelve chapters reflect the actual practice of professional copyright valuation as conducted at the highest level in India's media, technology, music, film, publishing, and software industries.

## What to Expect From an Elite Valuation Copyright Engagement

An Elite Valuation copyright engagement is a structured, evidence-based process tailored to the specific copyright asset class and regulatory context. Our process: an initial scoping discussion to understand the copyright portfolio, its commercial context, the exploitation strategy, and the specific regulatory or commercial purpose; a rights audit to identify all copyright assets, their ownership chain, the scope of rights held, and any encumbrances or third-party claims; a revenue stream mapping exercise to identify and document all current and potential exploitation channels; application of the appropriate valuation methodology — DCF, RfR, or Market Approach in triangulation — with full documentation of comparable transactions, platform data, and royalty rate benchmarks; a sensitivity analysis presenting the value range across key assumption variations; a draft report for factual accuracy review; and a final, independent valuation report signed by an IBBI Registered Valuer, compliant with IVS and ICAI Valuation Standards, and designed for its intended regulatory or commercial purpose.

Our copyright valuation practice covers the full spectrum of creative and technology industries — film, music, publishing, software, database, e-learning, animation, gaming, and digital media. We maintain current market data across Indian and international content markets and bring both sector depth and valuation rigour to every engagement.

**KEY INSIGHT**

*The most important lesson from years of valuation practice is that the gap between what copyright assets are worth and what they appear to be worth on the balance sheet is almost always larger than the owner expects – and that this gap creates both risk and opportunity. Risk: because poorly valued copyright is mispriced in transactions, undertaxed in transfers, or inadequately protected in disputes. Opportunity: because the owner who genuinely understands the economic value of their creative portfolio is better positioned to monetise it – through strategic licensing, better deal negotiations, smarter platform partnerships, and more effective legal enforcement. We approach every copyright valuation as an economic discovery process – revealing the true value that the copyright represents, however large or small that value may be.*

## How Elite Valuation Can Help

- Copyright portfolio valuations for M&A – PPA under Ind AS 103, including rights identification, channel-by-channel DCF modelling, useful life determination, and post-PPA P&L impact analysis
- Music catalogue and publishing rights valuations – NPS modelling, streaming income analysis, IPRS/PPL royalty benchmarking, and sync licence rate determination
- Film and OTT content library valuations – waterfall DCF across theatrical, streaming, satellite, international, and ancillary rights with scenario-based pre-release uncertainty modelling
- Software copyright valuations – SaaS ARR-based DCF, codebase RfR analysis, and database subscription income modelling for technology M&A and PPA
- Transfer Pricing documentation for content licensing royalties – CUT/CUP comparable analysis, DEMPE value chain assessment, and APA application support
- FEMA-compliant cross-border copyright transfer valuations – registered valuer certificates for outbound and inbound copyright transfers and content licensing arrangements
- Copyright infringement damages quantification – lost profits, reasonable royalty, and account of profits analyses for Indian courts, IPAB, and arbitration
- Ind AS 36 copyright impairment testing – annual recoverable amount assessments for film libraries, music catalogues, software platforms, and publishing archives

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*"Copyright is the invisible balance sheet of the creative economy. A film library, a music catalogue, a software platform, or a publishing archive can represent hundreds of crores of economic value that never appears in a company's books – until a transaction, a dispute, or a regulatory filing makes an independent valuation unavoidable." – Sagar Shah, CA | CS | IBBI Registered Valuer | Ex-EY*

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